

CRANFIELD UNIVERSITY

MRES DISSERTATION
ACADEMIC YEAR 2009-2010

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HOW DO ORGANIZATIONS LEARN FROM THEIR EXTERNAL STAKEHOLDERS IN THE CONTEXT OF CORPORATE RESPONSIBILITY?

A SYSTEMATIC REVIEW

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AUGUST 2010

*This thesis is submitted in partial fulfillment of the requirements for the degree of
Master of Research.*

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ABSTRACT

In the past few decades private firms have increasingly been scrutinized by external stakeholders such as civil society organizations, local communities and government with regards to their corporate responsibilities towards society and the environment. Firms have been challenged with meeting these rising societal expectations. The private sector has responded by creating Corporate Social Responsibility (CSR) departments and entering into dialogue with some of their staunchest critics from civil society in search of finding more responsible ways of operating. The main challenge being proposed to the private sector by civil society, practitioners and academics is that they embed CSR into their organizational cultures and way of working.

Organizational learning theories have been established for several decades unlike the concept of CSR which is relatively immature in academia. Organizational learning in many ways requires firm members to reconsider the current modes of working, acquire new knowledge and then create the necessary changes within the organization to enhance competitiveness. In many ways organizational learning is about embedding new concepts of working throughout the organization.

Therefore in this systematic literature review I aim to bridge both CSR/Stakeholder and organizational learning domains and pose the following questions of why, how and what do organizations learn from their external stakeholders in the context of CSR.

It can be argued that organizational learning concepts can be appropriately applied for understanding how firms interact with and learn from their external stakeholders. By applying organizational learning theories it is possible to see that despite the relatively few empirical studies we can argue firms learn in one of two ways: in a prudent, incremental and risk manner or as the consequence of a crisis, and if so their learning is deeper and more likely to be embedded into the organizational culture.

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The phenomena of interest

I am interested in the overall subject of embedding a more socially and environmentally responsible way of working in organizations. This phenomenon is often referred to as Corporate Social Responsibility (CSR), and involves firms trying to create a more positive impact on their stakeholders and on the environment.

I have since the time of my undergraduate degree been interested in organizational strategy and sustainable development; however, I had always regarded the two areas as completely separate. Five years ago I discovered the concept of CSR in an article, and this was an inspiring moment for me as I was able to see how business was able to contribute to the development of society and also at protecting the environment. This led to me doing a Masters thesis in Chile about the phenomena of CSR and in specific the related drivers and how CSR activity was being communicated through annual reporting within a Chilean context. The main conclusions I drew were that companies were engaging in CSR mainly as a response to societal expectations, in other words to gain legitimacy, also for reputational benefits, because the head offices in Europe were mandating CSR on their Chilean subsidiaries and in a more specific Chilean context because CSR was understood to be philanthropy and this had been part of business culture for over a century.

After completing my Master's program I entered the practitioner world of CSR in Chile for a year before going to consult for the International Finance Corporation (IFC) in Washington DC and Sao Paulo, Brazil where I worked in a team trying to convince our corporate clients in Latin America to incorporate CSR into their business strategies.

In my experience as a practitioner I observed several problems. Firstly, CSR was a loose concept which took an array of meanings for different people and organizations which was dependent upon the industry sector, country and culture. Secondly and more significantly that there was clear disconnect between the

practitioner literature about how to implement CSR as opposed to what was happening in reality especially within the Latin American context.

The second point is really the problem which underpins my interest and desire to systematically study the subject of organizational learning and CSR. The practitioner literature from authors such as Hart (2002) and Porter (2006), from international consulting firms such as McKinsey and Price Waterhouse Coopers and CSR think tanks such as AccountAbility and SustainAbility argued for CSR to be embedded into the company strategy and transversally across the organization so that CSR becomes the way companies do business. The main mantra coming from these organizations was that CSR is good for business, society and the environment, what many referred to as a “win-win” or “shared value”.

Many prescriptive methods of how to achieve embedding CSR in organizations were discussed in the literature and at the CSR conferences I myself attended. Such methods included identifying strategic CSR issues relevant to the business, convincing senior management of taking a CSR approach, implementing by changing mindsets from senior to lower levels within the organization, engaging with stakeholders in order to respond to their demands and requests and communicating the CSR journey and indicators to stakeholders.

However, in my personal experience dealing with companies in Latin America there was scant evidence of the abovementioned processes and embedding taking place, however, the enthusiasm was nonetheless evident. In practice what I observed was exactly what the practitioner literature recommended avoiding in terms of embedding CSR which includes treating CSR as philanthropy for local communities and charities making it unconnected from the core business, not listening to or respecting stakeholders, creating an isolated CSR department which was a silo or an “add on” (Porter, 2006) and which furthermore performed more of a public relations function. When firms cut such corners in implementing CSR and at the same time

publically claim their CSR credentials the more critical voices in society such as civil society organizations can accuse them of “greenwashing”.

My second major observation from my personal experience relates in particular to the point of stakeholder engagement. Practitioners and stakeholder engagement standards such as the AccountAbility AA1000s recommend for firms to dialogue with key stakeholders and then to act upon this by responding to their views and the outcomes of any dialogue. However, in practice I noticed that firms in Latin America were very much continuing on with the “business as usual” approach once they had engaged with stakeholders. In particular when I conducted field research on a multi perspective CSR case study of a mining firm in Chile I was able to access both perspectives with regards to the stakeholder engagement for CSR, from company and local community. I was fascinated at how two very different organizations with almost opposing worldviews could convene to dialogue about common problems and their relationship, and yet the firm was not incorporating internally what it had learned from this engagement with indigenous communities.

The research into CSR at the mining firm in Chile was unique as it was a multi perspective case study and allowed me to get the first hand views of the stakeholders, something which most readers of CSR reports are not able to do. The insight I got revealed that the stakeholders do not share the same interpretations and sense making as the firms from their dialogue and engagement.

In short my personal experience confirmed to me that in practice firms were not embedding CSR and were not aligning their sense making from stakeholder engagement with those same consulted stakeholders. As a result I felt highly intrigued into seeing what the academic literature was saying with regards to the above observations I made. It was clear, that in the Latin American context my personal experience showed that the practitioner prescriptive literature for embedding CSR did not translate, therefore I wanted to understand and research how exactly can firms embed CSR into the organizational culture, strategy and

operations. I then realized that in order to embed a concept such as CSR, one so different from the traditional business themes it would require the acquisition of new knowledge, or simply put new learning. Firms would have to learn new knowledge based around social and environmental themes from their stakeholders, and incorporate this into the way they operate. So, just how do firms learn from stakeholders with the aim of embedding CSR into the way they conduct business? This is the question emerging from my previous practical experience and which also underpins the proceeding systematic review.

Introduction to the problem

In recent years with the aim of meeting society's rising social and environmental expectations, firms have been partnering, engaging, collaborating and speaking with external stakeholders such as civil society organizations (Googins and Rochlin, 2000; Zadek, 2004) and with local communities (Bowen, 2010). Often such stakeholder groups do not share the same values, assumptions or worldviews as the organization. Going beyond social and environmental regulation, is often referred to as Corporate Social Responsibility, and for firms to incorporate such new concepts and ways of doing business they would need to acquire new knowledge and learn. Therefore it would be worthy of studying the organizational learning within a CSR context and how it takes places from these external stakeholders from within this relatively new phenomenon of engagement between firms and civil society and local communities.

I would like to examine the organizational learning literature as opposed to the organizational change literature, as the level of analysis for embedding CSR within the firm despite both being relevant. As argued by Fiol and Lyles (1985) "an organizational change should not be confused with organizational learning, as a change is not always the consequence of a response based on understanding the relationship of that response to environmental events or past actions" (p.810). This preference for learning as opposed to change is due to the way I am conceptualizing

learning as it provides a more profound and embedded understanding with new knowledge (Arnold and Siebenhüner, 2007), which will then lead on to the corresponding changes within the organization. Organizational change on the other hand could imply more superficial changes taking place as a result of stakeholder interaction which would mean “business as usual”, or what is often referred to as “Corporate Greenwash”. Organizational learning is furthermore argued as essential for the implementation of CSR as this requires new modes of values and thinking (Senge, 1999 and Cramer, 2005) which implies a deeper questioning and thought process than making more technical changes.

The following section will offer the antecedents as a rationale to my research topic of organizational learning from external stakeholders in the context of CSR. Following this I will offer a brief summary and discussion about the state of the organizational learning literature, and in specific how it could relate to learning from external stakeholders. The organizational learning literature has not focused on learning from external stakeholders in a CSR context as I have found in my initial overview research, therefore I shall aim to create a framework for understanding why, what and how of organizational learning and apply conceptual and empirical examples of learning from external stakeholders I find in the literature. Therefore, finally I shall compare and contrast the previous section with the relevant literature that examines organizational learning from engaging and partnering with NGOs and local communities.

Rationale for this study

Private sector firms are under more scrutiny from the public with regards to their behaviour and how that impacts society and the environment (Zadek 2004; Jamali, 2006; Senge, 2006; Roome and Wijen, 2006). Expectation levels from society of how business conducts itself with regard to people and the environment have risen along with higher education and technological levels (Utting, 2002). This has manifested itself in the rise of civil society organizations also known as Non Governmental Organizations (NGOs),¹ many of which it is argued take a critical stance towards companies, almost operating as regulators of the societal demands. With the benefit of real time communications technologies such as digital cameras, email, mobile phones external stakeholders such as NGOs, local communities, governments and general members of the public are now able to testify to any irresponsible behaviour enacted by organizations. NGO's and the media have been able to make use of such technologies in recent years to expose companies' unethical behaviours such as in mid 2010 Greenpeace claiming to prove Nestle's use of palm oil in Indonesia leading to deforestation and the loss of habitat of orangutans. The media has also largely exposed BP's oil spill in the Gulf of Mexico also in 2010 with live film images of the impact caused.

These mentioned developments have not gone unnoticed by the private sector, especially since many well known Multi National Corporations (MNCs) have fallen victim to public NGO campaigns about the social and/or environmental irresponsible behaviour they have engaged in. As stated by Agyris (1977) organizations only learn to make serious changes to the way they operate after crises. Indeed there are many examples of firms, which have moved from a defensive to a collaborative stance after being criticized for their treatment of people or the environment. Consider the examples of Nike, Addidas and GAP who in the 1990's were subcontracting factories who were in turn subcontracting other factories as suppliers to the MNCs which were later found by NGOs to be employing under aged children and also paying

¹ There are over 29,000 international NGOs registered with the United Nations and two million local NGOs each in the USA and India alone (Senge *et al*, 2006)

“indecent” wages (Utting, 2002). Even in August, 2010 clothing retailers such as GAP, Next and Marks and Spencer were found to be outsourcing the manufacturing of their garments in India for indecent wages and conditions and where the workers were being forced to work overtime (The Observer, 2010).

Other examples of similar public campaigns by civil society have also been aimed at firms in the natural resources and extractives sector. During the 1980’s and 1990’s firms such as Exxon, Shell, BP, BHP Biliton and Arracruz Celulose amongst many other lesser-known firms were criticized by civil society groups for their impacts on the land and water and/or their negative impacts on local communities, particularly in the developing world.

This was quite new and unfamiliar territory for the companies mainly because they were dealing with NGOs and other stakeholders who held worldviews that conflicted with their own. This meant again that private sector organizations had to interact, dialogue and engage with the adversary who did not share the same goals as they did yet had to collaborate and arrive at a consensus with them. Therefore it can be inferred that again, companies were obliged to learn about these different values, assumptions and worldviews in order to address the challenges they were facing around social responsibility.

As a consequence they faced global campaigns by NGOs criticizing them on ethical grounds, which lead to public boycotts and a tarred reputation. At first the companies took a defensive stance claiming it was not their responsibility, however public pressure surmounted them to concede accountability (Zadek, 2004; Roloff, 2008). As a result one strategy for dealing with this has been to go into partnership with their NGO adversaries in combating the social and environmental issues together. These companies learned a lesson post crisis that they needed to meet societal expectations of their conduct towards stakeholders seriously.

These rising societal expectations on firms for CSR requires new knowledge acquisition and learning about issues which fall outside the traditional realm of business such as a profit maximization, therefore in order to embed CSR organizations need to learn from external stakeholders such as from NGOs and local communities.

As organizations interact with their stakeholders in the context of CSR, according to a survey by KPMG among more than 1600 of the world's largest firms, 39% of these companies mention structured stakeholder dialogue in their CSR reports (KPMG, 2005) especially when it has been crisis induced the outcome of this can mean profound questioning and subsequent changes to their underlying policies and ways of working in certain instances. Consider the case of the International Finance Corporation (IFC)'s (World Bank Group) social and environmental Performance Standards for investing in emerging market companies. These standards require stakeholder engagement at the project management level of the investment and they were born out of a conflict with a local indigenous community in central Chile opposed to the Ralco Dam being financed by IFC. Therefore, this case indicates the importance external stakeholders who hold different values, assumptions and worldviews as this case shows are important for organizational learning in a socially responsible context.

Therefore, in order to explore this further in the following section I will aim to provide an overview of the state of the organizational learning literature, and secondly that of the organization – stakeholder interaction within a CSR context.

Overview

The literature to date on Organizational Learning has been quite immense since its beginnings in the early 1960's. Indeed a search for OL in the citations and abstracts of academic peer reviewed papers in the ABI Inform Proquest database results in 4,051 papers.

Despite the plethora of organizational learning literature there still does not exist a consensus around a single organizational learning theory. What is evident from my reading is that the literature despite its varying categorizations, and constructs all address how learning can help the organization be more competitive, grow and benefit their bottom line.

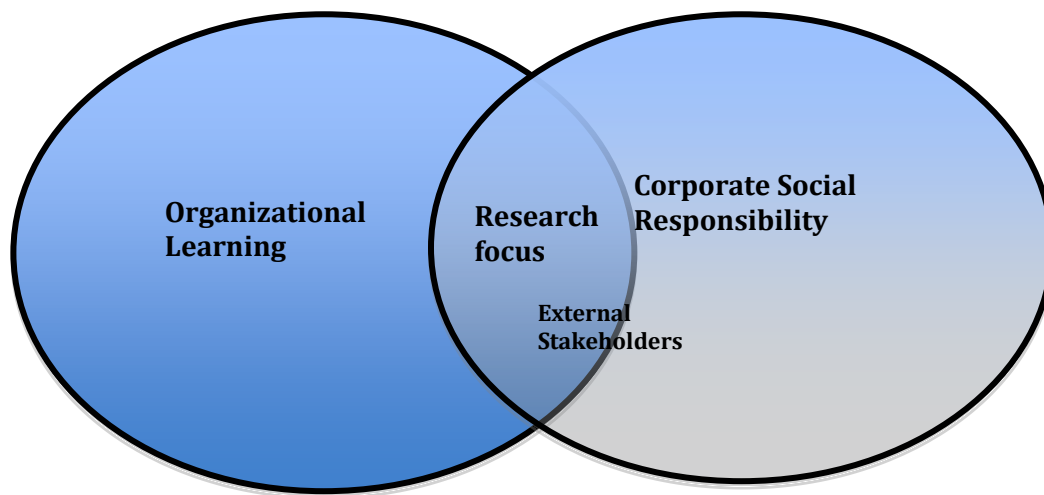
In parallel, there has been a growth in the literature surrounding the voluntary beyond legal compliance responsibilities of private enterprises towards society, which includes its stakeholders and the environment. This concept is also most commonly referred to as CSR. Similarly a search for CSR in the citations and abstracts of academic peer reviewed papers in the ABI Inform Proquest database results in 3,269 papers. The main debate that has ensued CSR has been between those who believe the only responsibilities of companies are to its shareholders and to complying with government legislation (Friedman, 1970; Sundaram and Inkpen, 2004) and those who believe on the contrary that organizations should go above and beyond their legal social and environmental duties to their stakeholders (Freeman, 1984 in Freeman, 2004; Donaldson and Preston, 1995; Hart and Sharma 2004; Porter, 2006). In the following section I will try to position the CSR and Stakeholder literature, paying particular attention to the how firms and stakeholders interact in the context of CSR.

The two overlapping literature domains, which I am interested in reviewing, can be shown below in Figure 1. On the left is the organizational learning literature domain (which I see as key for embedding CSR into an organization), which overlaps with the CSR and stakeholder domain. The shaded area that overlaps in the middle focuses on

external stakeholders which in the context of CSR would include NGOs and communities, and the learning that organizations undertake from such groups and contexts. However, the main phenomenon this review aims to study is the organizational learning one, from within a CSR context and in particular from external stakeholders.

Mapping the Field - Overlapping of Literature Domains

Figure 1



In the following chapter I will briefly present key studies, definitions and theories relevant for the understanding of some core concepts related to organizational learning and CSR, in particular how firms interact with external stakeholders as this can shed an important insight into potential organizational learning.

Positioning the CSR – Stakeholder Literature

For the purposes of this paper I am concerned with reviewing the literature that has already accepted that businesses have a responsibility to society (which means external stakeholders directly associated with social issues such as NGOs and local communities), as I want to research how the organizational learning and CSR literature interact, though I do intend to allude to the literature which questions this responsibility.

As mentioned in the introduction the literature on CSR has grown considerably in the past few decades and CSR has been approached from a multitude of academic disciplines due to its business, society and environmental encompassing nature.

CSR is not a new concept as business since its existence has always interacted and impacted on society and the environment. CSR, however, suffers from a definitional problem, as there still does not exist consensus around one single definition. Dahlsrud (2006) conducted a content analysis of 37 different definitions of CSR from academic and practitioner literature and found that the following dimensions were most referred to “Stakeholder” 88%, “Social” 88%, “Economic” 86%, “Voluntariness” 80% and finally “Environmental” 58%. Despite the high number of different CSR definitions, Dahlsrud (2006), found that they all covered similar themes as shown, however, these are quite descriptive and only tell us that business impacts on these various dimensions. It is interesting that CSR is defined to be a voluntary activity, which implies that it should go beyond regulatory compliance (Dahlsrud, 2006), though the question then remains what then should be the ideal level of CSR? According to Dahlsrud’s (2006) analysis he argues that the optimal CSR performance should be dependent upon the stakeholders of the firm. It can therefore be interpreted that stakeholders are a key piece in the CSR concept, and are the ones who give credibility to organizational attempts at CSR. Just as in my personal experience described earlier in this paper, the academic literature also regards engaging with stakeholders as highly important for CSR. However, the problem with these definitions despite their overwhelming support of business interaction with

stakeholders is that they do not help in guiding organizations with the how to and implementing of CSR and stakeholder relationships. Consequently I shall proceed to focus on the firm – stakeholder relationship literature, starting off with relevant definitions.

Organizational Stakeholders – Definitions

According to Freeman (1984) a stakeholder in an organization is any group or individual who can affect or is affected by the achievement of the organization's objectives.

Donaldson and Preston, 1995 classified stakeholders into three types Instrumental, Descriptive and Normative. Instrumental stakeholder theory holds that the corporation needs to pay attention to only those stakeholders who can affect the value of the firm (Donaldson and Preston, 1995; Mitchell et al., 1997). This line of thought usually conceptualizes stakeholder dialogue strategically and is oriented around the needs of the organization such as risk management or the realization of opportunities (Ulrich, 2008 in Hansen and Spitzbeck, 2009).

The descriptive stakeholder approach identifies and classifies the different constituents of an organization without assigning any value statements regarding the legitimacy of their claims or their power (Lozano, 2005 in Hansen and Spitzbeck, 2009).

Normative stakeholder theory goes further and grants stakeholder claims intrinsic value due to the moral rights of any individual affected by corporate conduct (Donaldson and Preston, 1995; Ulrich, 2008). Central themes of normative stakeholder theory consider rights and duties of the actors involved and how a just balance of concerns of different stakeholders can be achieved (Lozano, 2005; Ulrich, 2008 in Hansen and Spitzbeck, 2009).

There is also extensive literature on the area of organizational stakeholders, and overall it is possible to view the academic contributions in three different categories of:

1. Why firms interact with external stakeholders
2. What type of interaction exists between firms and stakeholders
3. How firms (should) interact with stakeholders

Why firms interact with external stakeholders

As mentioned in the section earlier about stakeholder definition types during the 1990's authors such Agle *et al*, 1999; Donaldson and Preston, 1995; Freeman, 1995; Mitchell *et al*, 1999 and later in 2004 Hart and Sharma were putting forward contrasting views as to why and which stakeholders firms should consider. The debate sees Donaldson and Preston (1995) on the one hand who argued it was the moral or normative responsibilities of firms to take into account all stakeholders when doing business, in other words considering stakeholders is simply the right thing to do. Conversely, on the other side of the debate are Agle *et al*, (1999); Freeman, (1995); Mitchell *et al*, (1999) who all argue that firms should carefully identify the closest stakeholders to the firm such as employees and clients who are most relevant to the business strategy, and can in effect the organization's influence the competitive performance, this was known as the instrumental view, and by practitioners is often referred to as a "win-win" or as coined by Porter (2006) "Shared Value". Hart and Sharma, (2004) added a new dimension to the instrumental argument by stating that fringe stakeholders such as the poor, NGOs, communities who would not be normally thought of as relevant to the business strategy should indeed be considered as they are becoming increasingly significant in today's globalized society and can hence affect firm competitiveness.

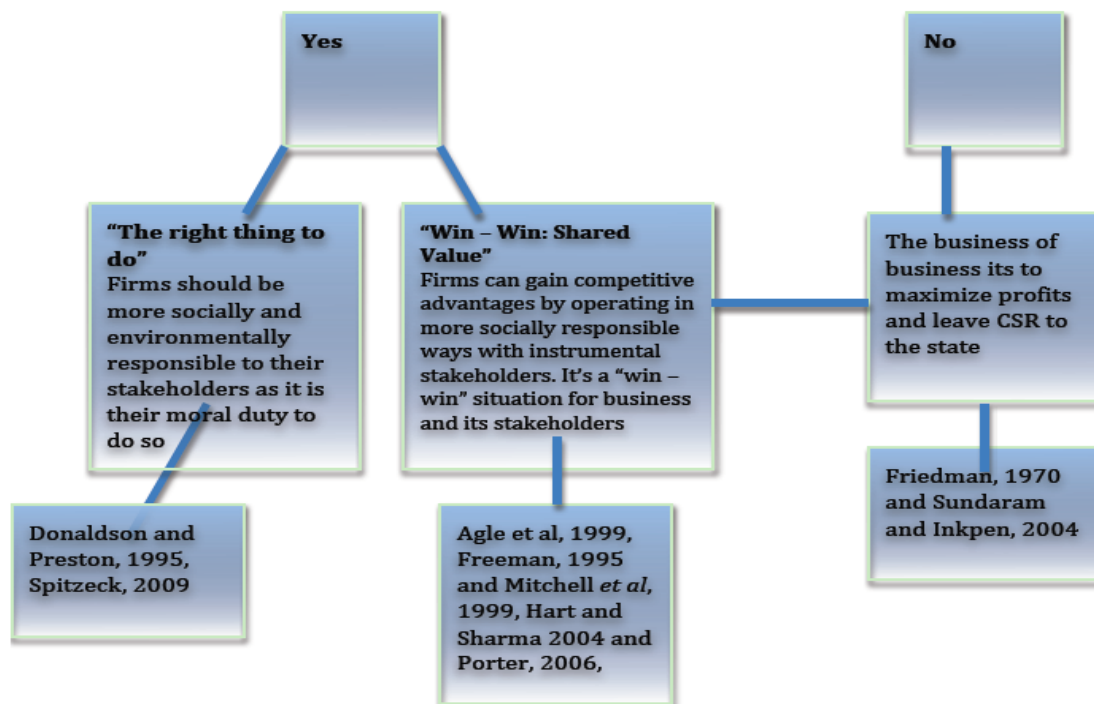
Other authors have argued that firms should not even devote any time or resources to non-shareholder stakeholders (Friedman, 1970 and Sunderpan and Inkpen, 2004), as this simply falls outside the responsibility of private sector organizations. Firms should instead be concerned with maximizing shareholder returns and

complying with government regulation. The counter argument from authors such as Freeman (2004) is that considering stakeholders will actually lead to increased shareholder returns. In short, the consensus and majority of views within the literature favours companies perceiving stakeholders as a source of increased competitiveness.

In figure 2 it is possible to observe how the advocates of CSR from an instrumental “win-win: shared value” form share the same vision as those opposed to CSR/Stakeholder engagement with regards to business’ objectives of profit maximization. However, the two views diverge when the pro CSR authors claim that improvements to profits, people and the planet can all be achieved together, which contrasts to those who believe any non-business activities aimed at society, should be left to the government to address. The figure also shows that despite the fact that the “yes” perspective has two sub groups one which believes companies are morally obliged to engage in CSR and with stakeholders and the other that argues firms should purposely seek out those strategically relevant stakeholders who can influence most its competitiveness, and therefore there is no linear connection from the “right thing to do” perspective with the other two more financially driven ones.

Figure 2 – Should firms engage with Stakeholders/CSR?

Diagram 1 – Should Firms engage with stakeholders/CSR?



What type of interaction exists between firms and stakeholders?

Bowen *et al*, (2010) conducted a systematic review on the subject of firm – external stakeholder engagement. The authors found that the literature-covering firm – external stakeholder interaction can be classified into three different types: depending on how closely the firm was interacting and learning with the stakeholders together. These three categories include *transactional*, *transitional* and *transformational* engagement. The first term refers to a colder and more distant relationship, which London and Rondonelli (2003) refer to as an “arm’s length” type, where the communication is “one way” and one sided (Bowen *et al*, 2010) from the firm whereby the company dictated the terms of engagement, and reaped the benefits. Typical examples of such *transactional* engagement include philanthropic donations by firms to communities or NGOs. As the name suggests it is also heavily linked to the instrumental approach already discussed earlier where the main business incentive is to gain legitimacy and consequently an enhanced reputation,

this conclusion was also found by other authors looking at firm – NGO relationships (Araya and Saik, 2006, Holmes and Smart, 2009 and Spitzeck, 2009). Interestingly Bowen *et al*, (2010) came to a similar conclusion as I observed from my personal experience in Latin America whereby most firms purporting to be engaging in CSR could be classified as *transactional engagement* (40% of the literature they reviewed). This would indicate that learning and hence embedding of CSR is not occurring in most of the cases.

At the opposite end of this classification of firm and external stakeholder engagement literature is the *transformational engagement*. In such engagement the key word would appear to be “joint’ with regards to the collaboration, decision making, benefits and even learning (which is the other domain I wish to review). However, it is important to note that the authors Bowen *et al* (2010) found that such forms of *transactional engagement* is not as prevalent in the literature, in their systematic review it accounted for just 23% of the total. Bowen *et al* (2010) also state that only in a few of the studies they reviewed did they find there was any joint or shared learning involved. The conclusion from this study would confirm that there is little if any organizational learning from external stakeholders being written about in the cross sector alliance literature.

The second and bridging category of Bowen *et al*’s (2010) systematic review is that of *transitional engagement* which refers mainly to instances of stakeholder dialogue, partnerships and collaboration. For Bowen *et al* (2010) this category of the literature on firm-external stakeholder interaction represented just 37% of the literature they reviewed, however, in my own case for aiming to position the research, and paying specific attention to any organizational learning from stakeholder interaction I found an overwhelming majority of literature which would fall under the *transitional engagement* literature, this literature is more commonly referred to as “Cross sector partnerships”. Since the 1990s when firms began to partner and engage with external stakeholders such as NGOs this new literature has emerged since the turn of the century commentating on this new phenomena of organization – NGO

relationships/partnerships (Arenas *et al*, 2009, Arya and Saik, 2006, Bowen, *et al*, 2010, Bronn and Bronn, 2003, Burchell and Cook, (2006, 2008), Holmes and Smart, 2009, Huijstee and Glasbergen, 2008, London and Rondinelli, 2003, Pedersen, 2006, Roloff, 2008, 2003 Seitandi and Ryan, 2007, Seitandi and Crane, 2009, Selsky and Parker, 2005, Senge, 1999).

This literature mainly describes the nature of the relationships between firms and NGOs mainly in the context of power relationships, conflict and antagonism (Burchell and Cook, 2006, 2008, Roome and Wijen, 2006, Selsky and Parker, 2005, Spitzeck, 2009) and the problems both sides face in trying to understand the perspectives and positions of the other side. The basis of these problems and differences in understanding the other side is attributed within the literature to the contrasting worldviews, values and assumptions each side holds, in other words differences between how each organization makes sense of the world (Arya and Saik, 2006, Arnold and Siebenhüner, 2007, Bronn and Bronn, 2003, Senge, 1999 and Spitzeck, 2009).

Nevertheless such cross partnership literature falls just short of discussing the learning from such endeavors. However, the learning aspect, which is what most interests me for this research as stated from the outset, is not explicitly dealt with within these partnerships, albeit is frequently alluded to in more generic terms as a desired output. Moreover, the cross sector partnership literature does not link the learning it discusses to any specific established organizational learning theories.

Therefore in the following section I will focus specifically on the organizational learning domain and outline the main definitions, debates and then focus on what the literature offers with respect to how organizations learn. Finally I will explore how the literature domain addresses the area of learning from external organizations as this has relevance with the principle and concept of learning from external stakeholder.

Organizational learning - Overview of the literature

The literature largely attributes the work of Cyert and March (1963, in Dodgson, 1993; Fiol and Lyles, 1985; Shipton, 2006) as being the first seminal paper on organizational learning. The main simple message being predicated by the authors was that firms needed to learn in order to adapt themselves for the changes occurring in the external environment. Therefore it is possible to appreciate that the beginnings of the organizational learning literature were closely tied to the notion of strategic management. The conception of the organizational learning literature possibly also explains why one of the main concerns it has tried to address over the decades has been the link to performance i.e. that organizational learning helps improve organizational performance in some way (Fiol and Lyle, 1985; Huber, 1991; Dodgson, 1993; Crossan *et al*; 1995, Easterby-Smith, 1997; Bapuji and Crossan, 2004; Shipton, 2006). For those advocates of CSR as a means to improving competitiveness learning from CSR would also seem like an attractive strategy. However, firms should be careful about not making claims to be socially responsible when for example they are addressing one single issue such as energy efficiency, which has obvious monetary gains for the company, certain external stakeholders such as civil society are wary of such strategies, and are quick to label them as “greenwashing” a term first coined by Westerveld (1986, in Utting, 2002) where corporate claims of social and/or environmental responsibility are exaggerated.

Since the organizational learning literature’s inception it has enjoyed over 4,000 academic articles and dozens of literature reviews. The literature reviews have mainly tried to make sense of organizational learning by categorizing it in terms of different themes and constructs. Easterby-Smith (1997), though took a unique approach by making sense of the literature in terms of the various disciplines and their different ontological assumptions, concluding that no single organizational learning theory should exist, and that the subject would be best understood by maintaining a multi discipline approach. The different disciplines and ontologies according to Easterby-Smith, 1997 can be seen in Table 1:

Table 1 – Different Disciplines and Ontologies from which organizational learning has been researched (adapted from Easterby-Smith, 1997)

Discipline	Ontology
Organizational Development and Psychology	Human Development
Management Science	Information processing
Sociology and Organization Theory	Social Structure
Strategy	Competitiveness
Production Management	Efficiency
Cultural Anthropology	Meaning Systems

It is quite evident that for studying the organizational learning derived from external stakeholders, many of whom have contrasting cultural values and assumptions to firms will mean that I will need to take into account other non organizational focused disciplines such as from cultural anthropology which would allow to examine the different meanings and interpretations other stakeholders can hold in contrast to organizations.

There have been many other literature reviews and attempts to make sense of the organizational learning literature since the 1980s. Table 2 shows several of these reviews and the main questions they have tried to address.

Table 2 – Main questions addressed by a selection of literature reviews around organizational learning

Authors	Main question addressed
Fiol and Lyle, 1985	Focus on trying to formulate a new definition of organizational learning as they argue that no there is no real

	<p>consensus around a single one within the literature. Achieving consensus around a definition would allow for building theory around the domain. However by looking where there is agreement over concepts in the organizational learning literature they are able to offer a revised new definition (which I will explain later in the “organizational learning definition” chapter.</p>
Huber, 1991	<p>Carried out a literature review on the organizational learning domain where he focused on the four constructs of knowledge acquisition, information distribution, information interpretation, and organizational memory</p>
Dodgson, 1993	<p>Assessed the organizational learning according to: goals, learning processes and ways in which organizational learning can be facilitated or impeded.</p>
Crossan <i>et al</i> , 1995	<p>Their review aimed to uncover the implicit and explicit assumptions of organizational learning researchers, identifying three key dimensions where disagreement in the field exists:</p> <p>Unit of analysis—individual, group, organizational, and inter organizational; cognitive/behavioral emphasis; and the learning-performance relationship.</p>
Easterby-Smith, 1997	<p>Reviews six different disciplinary</p>

	perspectives (see table 1) and argues against attempts to create a single framework for trying to understand organizational learning.
Bapuji and Crossan, 2004	Attempt to research the empirical research in organizational learning that many of the reviews in the 1990s were calling for. They discuss the empirical studies in terms of internal Vs external learning and the facilitators of learning.
Shipton, 2006	Aims to compare and contrast the different approaches within the organizational learning literature by presenting a typology and comparative framework to categorize the literature according to its prescriptive/explanatory bias and in terms of the level of analysis, examining whether there is a focus on the organization as a whole or upon individuals and their work communities instead.

It would seem that the main questions being asked and addressed in the organizational learning domain are those around how learning takes place, the units of analyses which should be examined for learning (organization Vs individual level), and around questions of measurement that can link organizational learning to firm performance. Learning from external stakeholders in a CSR context is not a priority area for the organizational learning literature based on this short review.

Authors criticized the organizational learning literature throughout the 20th century for its lack of empirical research. However, Bapuji and Crossan (2004) found that in the late 1990's there was a surge in empirical research around organizational learning, possibly as a result of the calls made by authors several years before. Most of the empirical works (65%, 36 out of 55 papers) they found in line with the literature were aimed to prove the link between learning and firm performance. For example Hult *et al*, 2000 in Bapuji and Crossan, 2004 found that organizational learning lead to increased customer orientation. The same review also found empirical work by Ahuja and Lampert, 2001 and McKee, 1992 that claimed to prove a link between organizational learning and innovation. This interest in the empirical studies confirming the organizational learning link to performance corroborates my earlier arguments about the state of the field and also implies that it is less concerned with showing how organizational learning can be about less explicit profit maximization issues such as CSR.

In order to really appreciate organizational learning it is important that the term be defined, however, as already mentioned achieving consensus around a organizational learning definition has also been a contentious issue.

Definitions of Organizational learning – Organizational Vs Individual

Authors' definitions depend heavily on whether they subscribe to the view that organizations can learn as entities or whether the unit of analysis should be exclusively on individual learning within the organizational context. Firstly I will offer a few definitions at an organizational-level learning.

Firstly Fiol and Lyle (1985) offer the following definition: "The development of insights, knowledge, and associations between past action, the effectiveness of those actions and future actions" (p. 811). For Dodgson (1993) organizational learning is "the way in which firms build, supplement and organize knowledge and routines around their activities and within their cultures and adapt and develop organizational efficiency by improving the use of the broad skills of their

workforces.” (p.377). Finally for Huber (1991) it is the processing of information that changes the range of the organization’s potential behaviours. He also claims that “organization memory” does exist and hence they are able to learn and should therefore be considered the unit of analysis. All three definitions focus on how organizations can learn to change for the better in the future. Huber’s (1991) point about organizational learning changing organizational behaviour is quite relevant to my study as this implies more embedded and deep seated learning, which according to Senge, (1999) and Cramer (2005) is the type of learning necessary to implement CSR.

In terms of the individual learning proponents, authors such as Simon (1991 in Shipton, 2006) claims that “all learning takes place inside human heads and an organization learns in one of two ways: by the learning of its members or by ingesting new members who have knowledge that the organization didn’t previously have.” (p.237). According to Pedler et al (1999 in Shipton, 2006) “A learning organization is one which facilitates the learning of all its members and consciously transforms itself and its context.” (p.238) Argyris and Schon (1978) and Senge (1993) also argue that only individuals can learn and that organizations do not have the capacity to learn as a whole.

Crossan *et al* (1999) make a significant contribution to the debate on the unit of analysis for organizational learning as they argue that we should consider three different levels, which include the individual, group, and organizational level. Crossan *et al* (1999) propose their ideas via their 4I learning framework which includes intuiting, interpreting, integrating, and institutionalizing. It acknowledges the interactions at three levels within organizations: intuiting and interpreting at the individual level; interpreting and integrating at the group level; and institutionalizing at the organization level. It should be put forward that with relevance to my phenomena of interesting, embedding CSR this final “I” of institutionalizing is crucial. More specifically the 4 I’s are concerned with:

“Intuiting is the preconscious recognition of the pattern and/or possibilities inherent in a personal stream of experience. This process can affect the intuitive individual's actions, but it only affects others when they attempt to (inter)act with that individual. Interpreting is the explaining, through words and/or actions, of an insight or idea to one's self and to others. This process goes from the preverbal to the verbal, resulting in the development of language.

Integrating is the process of developing shared understanding among individuals and of taking coordinated action through mutual adjustment. Dialogue and joint action are crucial to the development of shared understanding. This process will initially be ad hoc and informal, but if the coordinated action taking is recurring and significant, it will be institutionalized. Institutionalizing is the process of ensuring that routinized actions occur. Tasks are defined, actions specified, and organizational mechanisms put in place to ensure that certain actions occur.

Institutionalizing is the process of embedding learning that has occurred by individuals and groups into the organization, and it includes systems, structures, procedures, and strategy” (Crossan, *et al*, 1999, p.525). It therefore seems evident that for an organization to embed any learning it has to institutionalize this learning, which is first acquired by individuals and then groups.

Thus, I believe that the individual learning unit of analysis holds relevant to my review question as individuals, be them singular or in a group as per Crossan *et al*, (1999) are the first line of learning for an organization, indeed organizations may have “memories” as per Huber (1991), however, in order for organizations as a whole to learn and then act upon that learning in terms of behavior change it is dependent upon what the individuals with the organization have learned first. In particular with regards to my review it would be expected that individual members from within the organization are interacting with external stakeholders in order to generate some sort of learning, the responsibility would then be placed with them

and with management in terms of disseminating that learning across the whole organization and into its memory per se.

Having outlined some of the key concepts and debates taking place within the organizational learning literature at a more macro level in the following section I will attempt to highlight those organizational learning concepts which should be argued to hold most relevance to the area of learning from external stakeholders.

Summary of organizational learning and CSR/Stakeholder domains

In the earlier sections I have discussed the state of the organizational stakeholder literature, paying particular attention to the interaction between both firm and external stakeholder with the objective of ascertaining what learning is achieved in such spaces, in addition to how such learning can be created. It was found that most of the literature in this domain discusses this relatively new phenomenon of business and external stakeholder relationships, commonly referred to as cross sector partnerships mainly citing conflict, power struggles and differences of values and assumptions between both sides. The nature of such discussions falls short of analyzing any intricacies of learning, despite assuming that from firms and NGOs engaging together in dialogue learning is automatically generated (Burchell and Cook, 2008 and Wu and Eweje, 2008).

I also attempted to outline some of the main definitions and questions being addressed by authors in the organizational learning domain. So far the organizational learning literature has covered (the perspective of external learning from other similar minded agents such as private enterprises be they partners or competitors from the same industry sector or from the supply chain, Huber, 1991, Hitt, *et al* 2000). However, what the literature has sparsely covered is how and why organizations should learn from external stakeholders that do not necessarily share the same mental modes or worldviews as them (Arnold and Siebenhüner, 2007; Bowen, *et al*, 2010) within a context of CSR. This final point serves as a basis for my systematic review question stated below.

Review Questions

As a result of the above attempt to position the two literature domains of organizational learning and CSR interaction with external stakeholders, and with my phenomena of interest in mind that being embedding CSR into organizations I believe it is possible to focus the remainder of my systematic review on the following questions:

How do organizations learn from external stakeholders?

Sub Questions:

Why and What do organizations learn from external stakeholders?

My main question pertains to how organizations learn from external stakeholders. I would like to stipulate that from here onwards I will use the term external stakeholders interchangeably with NGO and local community for purposes of this dissertation only as the NGO and local communities do not represent the whole spectrum of stakeholder groups. However, answering this question exclusively would create many other begging questions relating to the antecedents and the outputs of such organizational learning, therefore I would justify the inclusion of the two sub questions in order to provide a more complete perspective on the subject of organizational learning from external stakeholders.

Despite, my initial more high-level research not finding any specific papers, which specifically address these three questions, I believe that through a systematic search strategy I should be able to uncover some relevant research. As back up support to the possible low numbers of literature I will find, I aim to in the following section examine in more detail the different organizational learning processes and attempt to create categories of these (which correspond to the how organizations learn question). Such an analysis should create a foundation and framework to enable the development of a subsequent modified classification framework, which can be applied to the context of learning from external stakeholders in a CSR context.

In the next section I will outline the methodology for searching and selecting the relevant publications for analysis and appraisal in order to create a synthesis and map the general state of organizational learning from external stakeholders in a CSR context.

Following the methodology section and with the selected papers for appraisal I will attempt to classify organizational learning processes by motive for learning and according to level of analysis in terms of individual basis or learning as an organizational entity. Such a classification can be used to later extrapolate organizational learning from external stakeholders within a CSR context.

Methodology

This chapter describes the rationale for selecting the systematic review as the preferred methodology for conducting the literature review, as well as the procedures and protocol used throughout the study. The systematic review procedure consists of the following five steps:

1. Selection of a consultation panel,
2. Search strategy design
3. Establishment of a selection criteria and a quality appraisal
4. Standard data analysis
5. Data synthesis.

Literature reviews are highly relevant aspects of academic research especially as they enable researchers to map and make sense of the particular domains, fields of research and phenomenon of interest, all of which facilitates devising a research question (Tranfield *et al*, 2003). However, carrying out such an assessment of the state of the literature in the management field which can be seen to be fragmented, heterogeneous and extensive raises several issues, such as implicit researcher bias, incompleteness, and lack of transparency. For this reason, the systematic review – a methodology with its origins in medical science for assessing the evidence of the effectiveness of specific interventions – has been applied in management research (Tranfield *et al*, 2003).

Similar to an empirical study, the systematic review follows explicit and replicable methods with a clear audit trail in order to assure transparent, reliable and unbiased conclusions. The difference with the medical sciences is related to the fact that the population and sample selected by the researcher is found in databases, peer-review articles, books, conference papers, amongst others.

The systematic review methodology advocated the use of certain techniques for researchers to identify studies relating to a particular phenomenon, to establish and appraise which studies will be selected for the review, to extract, analyse and

synthesize the evidence in the selected studies, and to describe the findings. In the case of my review this will relate to how organizations learn from external stakeholders in the context of CSR.

Consultation Panel

The first step in a systematic review is to establish a consultation panel, composed of academic and practitioner experts, to assist in the process, suggests relevant sources and to help with inclusion/exclusion decisions (Tranfield et al, 2003). As illustrated in Table 3, the following panel was selected for this review:

Table 3 Consultation Panel

Person	Organisation	Involvement
Senior Lecturer Dr. Donna Ladkin	Cranfield University School of Management	Supervisor
Dr Mark Johnson	Cranfield University School of Management	Systematic Review expert
Heather Woodbridge	Cranfield University Library	Library expert
Dr. Heiko Spitzeck	Associate, Doughty Centre for Corporate Responsibility, Cranfield University School of Management	Information and content Expert
David Grayson C.B.E	Director, Doughty Centre for Corporate Responsibility, Cranfield University School of Management	Information Expert
Reginaldo Magalhaes	IFC (World Bank), Civil Society Expert	Practitioner and subject expert
Dafna Tapiero	IFC, Manager Comm Dev (Business and Community Development in Emerging Markets)	Practitioner and subject expert

Dr. Donna Ladkin is Senior Lecturer in Organizational Learning and Leadership, Cranfield School of Management and Director of the Leading Sustainable Organizations programme. Therefore we have a common research interest in sustainability. I will refer to her during the process of planning and producing my systematic review. Regular meetings will take place in order to agree the most appropriate structure and content of the document, review progress and to seek their detailed feedback on work to date. Milestones and interim delivery dates (e.g. for drafts) will be agreed with them and adhered to by me. Dr. Ladkin's expertise in Organizational Learning and Sustainability will allow me to get sound guidance for the choices of texts for inclusion within the review, my critical analyses of the papers themselves and subsequent approach to synthesis.

Dr. Mark Johnson and Heather Woodfield will be consulted in relation to the procedural and technical elements of my systematic review. Dr Johnson is a systematic review expert in Cranfield School of Management, and I will be seeking his advice to ensure I have realistic timescales and plans in place, so my systematic review is produced within the required times and to a sufficiently high standard.

Heather Woodfield is a member of Cranfield's library team and in the past has assisted me in my search for specific papers, journals, books and theses. My systematic review will include categories of literature which I have not previously accessed or examined (e.g. practitioner and consultancy reports), and their advice will be sought in relation to further information searches, the interrogation of databases and the presentation of references.

Dr. Heiko Spitzack was my supervisor in the beginning, however has moved abroad to Brazil. His research to date has been related to my area of proposed research so he will be able to give valuable guidance on literature. The fact he is also living in the country of my research focus area is also very useful for me. He will also remain an associate of the Doughty Centre for Corporate Responsibility, so therefore will have natural ties.

David Grayson C.B.E is one of the UK's most renowned experts and voices in the area of Corporate Responsibility strategy and has many years of relevant experience in the field. His knowledge, experience and views will be very valuable from both an academic and practitioner perspective.

Reginaldo Magalhaes is the International Finance Corporation's only Civil Society expert, based in Sao Paulo, Brazil. He has spent the past several years involved in projects where companies interact with local communities and NGOs, and in particular working on how mutual development benefits can be attained from this engagement. Reginaldo is also in the process of completing his PHD in a similar subject, which makes his contribution as a practitioner in my geographical area of interest and as an academic highly valuable.

Dafna Tapiero has twenty years of experience in sustainable development in the emerging markets and heads the IFC's CommDev department which aims to help companies in the emerging markets engage with their local communities, usually for the extractive industry sector, and moreover how to contribute towards development of their local communities.

Search Strategy

The search strategy is designed to identify all the relevant literature that will help to address the systematic review question. The search will use secondary data, mainly academic papers together with relevant books, conference papers and practitioner articles. In addition to using the relevant databases to help me search for this data I also intend to seek advice from my advisory panel.

Key words and search strings

The following two tables indicate the key words and search strings that will be used for this review. These have been identified as a result of my reading and they also aim to ensure all relevant literature that covers the literature domain of

organizational learning and corporate responsibility for external stakeholders is covered. To enable me to capture as much relevant literature as possible all forms of the words will be used together with the relevant truncation and wildcard characters '?' and '*'.

Table 4: Search strings for electronic database search

Key words	Rationale
<i>CSR or Corpororate social responsibility or Corpororate responsibility or sustainab* or social or environment*</i>	<i>To ensure that all interchangeable terms for Corporate Responsibility domain are included in the search.</i>
<i>Stakeholder* or communit* or civil society or NGO* or engagement or partnership* or alliance* or collaboration or consultation or participation</i>	<i>Covers the terms related to the external stakeholder part of the question (pertaining to the corporate responsibility domain)</i>
<i>Organi?ation* Learning or knowledge management</i>	<i>Covers terms used interchangeably for the organizational learning domain..</i>

These keywords will then be combined in different groups to produce search strings. These will enable literature in the areas of overlap to be explored. Combining all three groups of key words will directly address the research question.

Table 5: Search strings for electronic database search with rationale

No.	Search String	Rationale
1.	<i>How Organi?ation* learn</i>	As the literature on Organizational Learning within a CSR context is still yet immature it will be necessary to apply and extrapolate some of the mature concepts and arguments from the Organizational learning literature to the CSR and

		stakeholder contexts.
2.	<i>CSR or Corporate social responsibility or Corporate responsibility or sustainab* or social or environment* AND Organization* Learning or knowledge management</i>	This will reveal literature only to do with contextual elements of corporate responsibility combined with organizational learning. It is likely to include organizational learning from stakeholders too due to its fit within corporate responsibility.
3.	<i>Stakeholder* or communit* or civil society or NGO* or engagement or partnership* or alliance* or collaboration AND Organization* Learning or knowledge management</i>	This will reveal literature that specifically addresses the question, however does not include the corporate responsibility context.
4.	<i>Stakeholder* or communit* or civil society or NGO* or engagement or partnership* or alliance* or collaboration AND Organization* Learning or knowledge management AND CSR or Corporate social responsibility or Corporate responsibility or sustainab* or social or environment*</i>	This is the search string that will specifically answer the question

Databases

The table below provides details about the databases to be used for this search. The first two will be the main databases to be searched, as they are the largest databases for abstracts and citations in the business and humanities fields. The next two will provide a double check for any additional relevant articles.

Table 6 Description of electronic databases to be used

Database	Description and explanation
Web of knowledge	This is a portal to the citation database Web of Science. This contains citation indices for the arts and humanities, science and the social sciences
SCOPUS	Scopus is the largest abstract and citation database

	of peer-reviewed literature and quality web sources with smart tools to track, analyze and visualize research. Has a social sciences and humanities filter relevant for my research.
ABI/INFORM Global (ProQuest)	This database has in excess of 3000 worldwide business periodicals and will be invaluable for searching across all three of my literature domains.
Business Source Complete/Premier (EBSCO)	Business Source Complete is the world's definitive scholarly business database and provides a vast collection full journal papers and articles.

Table 7 Additional sources

Additional Source	Rationale
Google Scholar	Google Scholar is a collaboration between Google and selected academic publishers and professional societies that provides access to the full text of any databases that Cranfield already subscribes to. It is useful for citations / bibliographic details / abstracts of any content held within databases that Cranfield do not subscribe to, so it could be useful as a back-up resource. Due to the excessively high numbers of search results in produces most of which are not relevant, I have chosen to categorize this database as an additional and essential source
Books	Because of the time delay from writing to publication, books may not provide the most up-to-date information. However, they may be useful in providing a conceptual/theoretical overview on a particular topic and/or a deeper understanding of an author's view of the area under investigation. Books selected are likely to be as a result of advice from my advisory panel or frequently cited in reference lists.
Conference papers	Not all conference papers are peer reviewed so may lack academic rigour. However, they may provide information on research in progress that is relevant to my area of study. Papers are likely to be selected following the advice of my advisory panel and are likely to be less than 3 years old.
Visit's to researcher's	This may be appropriate for helping to follow up

personal website	key ideas from specific authors and may also provide ideas on their on-going research which may not yet be published.
Accepted but unpublished academic journal papers	Similar to the two above sourced as a result of conversations with my advisory panel and searches for working papers
Completed PhDs	Theses are available on interlibrary loan from the British Library.

Results of Search Strategy

The results of the keyword searches performed can be seen below in table 8

Table 8 – Results of Search Strategy

No.	Search String	Results
1.	<i>How Organi?ation* learn</i>	ProQuest 895
		Ebsco 114
		Scopus 2087
		Web of Knowledge 2241
2.	<i>CSR or Corpororate social responsibility or Corpororate responsibility or sustainab* or social or environment* AND Organi?ation* Learning or knowledge acquisition</i>	Proquest 200
		Ebsco 1221
		Scopus 208
		Web of Knowledge 219
3.	<i>Stakeholder* or communit* or civil society or NGO* or engagement or partnership* or alliance* or collaboration AND Organi?ation* Learning or knowledge acquisition</i>	ProQuest 105
		Ebsco 623
		Scopus 126
		Web of Knowledge 119
4.	<i>Stakeholder* or communit* or civil society or NGO* or engagement or partnership* or alliance* or collaboration AND Organi?ation* Learning or knowledge acquisition AND CSR or Corpororate social responsibility or Corpororate responsibility or sustainab* or social or environment*</i>	ProQuest 200
		Ebsco 255
		Scopus 195
		Web of Knowledge 189

Selection criteria for abstracts

It is important that specific selection criteria are used to isolate the most relevant abstracts. Table 5 below highlights the selection criteria to be used together with the corresponding rationale.

Table 9 Selection criteria for abstracts

Criteria	Include	Rationale
Topic	<ol style="list-style-type: none">1. Corporate (Social) Responsibility and/or Sustainability2. External stakeholders (communities, NGOs, local government)3. How Organizations learn	<ol style="list-style-type: none">1. This is the phenomena of interest in which I hope to analyze the organizational learning2. These are the types of stakeholders I am interested in from an organizational learning perspective3. I am also interested in papers which specifically address How organizations learn. This is because preliminary searches have given me several thousand results for a general search on organizational learning. Preliminary searches have also informed me that I should look at how organizations learn in general to begin with as the literature on learning within a CSR context from external stakeholder is too sparse.
Journal quality	<p>Papers from the databases mentioned</p> <p>Papers published in quality journals</p>	Although I will initially select papers from journals with a rating of at least 2 stars ² I recognise that some of the relevant research may well be published in other journals. I will consult with my supervisors to confirm the quality of any journals I use which are not listed.
Method	Conceptual, Qualitative	Although it is likely that I will use

² Cranfield's SOM journal rankings

	and quantitative	a qualitative methodology for my PhD research I will include both qualitative and quantitative papers at this stage.
Age of research	Papers and other published works from 1970 onwards	Friedman published his seminal piece on the responsibilities of business in 1970. Since then there has been much debate on the topic. The whole stakeholder theory argument was propelled after Freeman's work in 1984. Organizational learning has become established since the late 1970's from Agyris' work.
Location of research	Any geographical context. With specific attention on developing world	
Industry sector	Organizational learning from the Private sector and stakeholders from civil society and/or public sector	My practitioner experience and interest is in the private sector. In addition women experience increased levels of representation in the public sector.
Language	English and Spanish or Portuguese	Most papers from the selected databases are published in English. However, if I find relevant papers published in Spanish or Portuguese (in which I am fluent) these will be useful especially due to the geographical focus of my study

Criteria for exclusion

The selection criteria above could exclude many relevant papers. However the following criteria for exclusion of abstract will also be applied as a cross-check.

Table 10 Exclusion criteria for abstracts

Area	Exclude	Rationale
Corporate (Social) Responsibility	All papers which do not focus on stakeholder	This is not the unit of analysis I am interested in for this review

	engagement, participation, consultation or learning	
External Stakeholder Engagement	Internal stakeholders. Any external stakeholder engagement that occurs outside the context of CR	I am only interested in external stakeholders to the organization and in a corporate responsibility context. This could include stakeholders such as local communities, NGOs, government, suppliers and customers within the CR context.
Organizational Learning	Individual level	My unit of analysis will be either individual or organizational wide learning within a private firm
Language	Non English, Spanish and Portuguese	Do not speak other languages
Industry sector	Medical, political, public, education, agriculture, not-for-profit, non-corporate	My unit of analysis is the learning from a private sector organizational one.

Selection Criteria For Full Papers

Once the most relevant abstracts have been selected the following aspects of each paper will be assessed (on a 1-3 scale - low, medium, high) to help provide some ranking of value and importance. In addition I will also be consider Wallace & Wray's (2006) recommendation when carrying out a critical synopsis – their recommended questions are in the brackets below.

- Degree of relevance to the systematic review question (why am I reading it and, after assessing the following, what use can I make of it?)
- Extent of literature review – including being mindful to the number of times references and citations are repeated
- Type of contribution purported to make - theoretical, empirical, practice, policy (what are the authors trying to do in writing this?)
- Research methodology (including clarity of research objectives, assumptions, findings and limitations)

- Quality of discussion, in particular how the new knowledge can be used or how it contributes to the research area (what is being claimed?)
- Identification of opportunities for further research
- Consistency throughout the paper (how convincing is what the authors are saying?)
- Clarity of communication

I plan to capture my responses to these criteria using an Excel spreadsheet.

Final Selection of Publications for Systematic Review

After carefully reviewing the titles and abstracts in accordance with the selection and exclusion criteria I arrived at a total of 41 articles for inclusion for appraisal. Within these publications I located a further 30 articles from cross referencing. Therefore, in total I systematically reviewed 79 papers for this review.

As a result of the work completed in our systematic review workshops, each of the 79 papers will then be read thoroughly and assessed in more detail against the four quality criteria outlined in the following table. Papers can score a minimum of 4 points and a maximum of 12 points. Those papers that do not reach a total of 8 will not be used.

Table 11 Quality assessments for full papers

Quality Criteria	Quality Level			
	Low = 1	Medium = 2	High = 3	Not applicable
Theoretical foundation	Literature review is sparse demonstrating limited theoretical insight	Shows a reasonable review of the relevant literature; uses this to create a practical rationale for the research	Excellent and critical review of the literature and uses all the arguments to present a compelling rationale for this research	This element is not applicable to this paper

Methodological rigor	Poorly designed and executed with little explanation for methodology used	Link between theoretical argument and methodology is clear. Acceptable data analysis and interpretation	Very clear rationale for methodological design and execution. Excellent use of data	This element is not applicable to this paper
Consistency and quality of argument	Flaws are evident in the argument – maybe oversimplified or overgeneralised	Reasonably convincing and is consistent – clear how theoretical basis is used	Very clear and compelling flow of arguments. Conclusions are well supported	This element is not applicable to this paper
Contribution	Little or no contribution to the field in any area	Builds on existing knowledge, theory or practice to some extent – this may only be in a specific area	Significant and rigorous contribution to current knowledge, theory or practice	This element is not applicable to this paper

Data Extraction

The following data will be taken from each paper and will be recorded either in Refworks or in Excel. This will enable me to synthesise the data for the dissertation write-up.

Table 12 Data extraction details

Category	Author(s)
Citation information	Title Journal (or other source) Date of publication Volume, month, part, page number Keywords used by author(s) Number of citations
Type of study	Conceptual, Q&Q
Theoretical information	Key concepts, ideas, theories, approaches, assumptions made, whose work do they draw on?

	<p>Definitions used of key concepts – eg Corporate (Social) Responsibility, Sustainability, Stakeholder, Organizational Learning etc</p> <p>Is it about how organizations engage with stakeholders for Corporate Responsibility or how they also learn from this or both?</p>
Methodology	<p>Qualitative/quantitative (who are the respondents? Single? Country? Industry?) - what measurements and statistics are used; how is qualitative analysis conducted?</p> <p>Location</p> <p>Industry/Sector</p> <p>Data collection</p>
Contribution	<p>Research questions</p> <p>Research hypotheses</p> <p>Research perspective</p> <p>Limitations</p> <p>Recommendations for future research</p> <p>Contribution to practitioners</p>
Key findings	
Quality assessment	<p>Theoretical foundation (1-3)</p> <p>Methodological rigour (1-3)</p> <p>Quality of argument (1-3)</p> <p>Contribution to the field (1-3)</p> <p>How convincing is it overall? (1-3)</p>
Relevance to review	<p>What concerns me about this paper?</p> <p>How does it link to other papers?</p> <p>Overall value of this paper (1-5)</p> <p>Included/ excluded – why?</p>

Synthesis

The evidence and information collected as a result of the above data extraction methodology will be synthesized to produce the final written dissertation. To facilitate this process I will go back to some of the Wallace and Wray (2006) critical synopsis questions:

- What are the authors trying to do in writing this?
- What is relevant to what I want to find out?
- How convincing is what they are saying?
- What can I make of this?
- How can I link these key ideas to those of others I have read?

As a result I hope to be able to produce more than a straightforward review of what is contained in the literature but instead produce something that is a credible critique of the extant literature represented in some kind of coherent framework, which leads ultimately to identification of the research gap and an informed insight into the subsequent research question.

Figure 3 - Example of data extraction synthesis

Below is an example of three articles, which I appraised according to the aforementioned criteria:

Authors	Title	Journal	Theory or Empirical	Theory	Countries and Industry sector focus	How does this answer my review questions?	Why, Type of learning and How	Main theme and question	How does this differ or relate in common with other papers?	Critique	Quality appraisal for selection
Brown, F. et al	When Suits Meet Roots: The Antecedents and Consequences of Community Engagement Strategy	Journal of Business Ethics (2011)		Syn Rev		categories the types of community - firm engagement into three types - philanthropy, one way partnership and a third which is shared learning and collaboration. The third type of community engagement identified here is relevant to my question, seen as two way partnership. It is relevant in that it describes what it is and identifies other references which discuss it. As it is a syn review it does not go into details about how the kind of shared learning occurs	Only learning comes from "Shared learning"	examine when, how and why firms benefit from community engagement strategies through a systematic review of over 200 academic and practitioner knowledge sources on the antecedents and consequences of community engagement strategy. The main benefit is seen to be legitimacy	Offers a systematic review of the firm-NGO/Community engagement process	How did they get to this three classification types? Worth as clear. Was based on as few sources. Their criteria was distinguishing wasn't so clear. Most importantly, they are assuming the papers they based the classifications on to be true, for eg? Can we be sure Shared Learning really took place as an instance or was it just one-way philanthropy-top relationship. Other perspectives should be considered	3
Bridi, Amy and Jane E. Sals (2006)	CROSS-SECTOR ALLIANCE LEARNING AND EFFECTIVENESS OF VOLUNTARY CODES OF CORPORATE SOCIAL RESPONSIBILITY	Business Ethics Quarterly, Volume 16, Issue 2 pp. 111-124		Org Learning but very weak and mention of "how" or "if" new papers		Cross-sector alliances can provide exposure to other mindsets and experiences that provide the basis for revolutionary or evolutionary changes in how firms manage corporate social responsibility. Adelman (2002) outlines the new skills learned by alliance partners to coordination of joint activities, communication with strictly different cultures and the negotiation of differences. These skills can help shape the structure of codes of conduct such that their implementation and evaluation are utilized as learning opportunities rather than pretexts for annual exposure of futility (Herm 2004). In a way, learning from cross-sector alliances can serve as a critical ingredient that reinforces effective decision-making and effective implementation of codes such that it also corporate ethical development. This stream of literature distinguishes between two main types of alliances: proactive (opportunity driven, positive responses) and reactive (threat driven, more defensive/rigid responses) (London, Rundgren, and Chisholm 2005).	While NGO researchers emphasize reactive rather than the proactive rationales covered by the business sector research, they also point to the comparative advantage offered by fostering participatory learning (Vahne 1994). Furthermore, cross-sector alliances can be particularly important given the nature and scale of public service needs and their ability to address challenges that are difficult to tackle in isolation (Chisholm 1999; Gray 1995). Multinational partnership with NGOs are viewed by some as superficial attempts to buttress the symbolic facade and dilute rising stakeholder pressures (Sethi 2003). Demands from consumers, closer public scrutiny, and growing importance of corporate social responsibility increasingly provide the impetus for greater learning in the multinational partner. For example, a report on cross-sector biodiversity partnership (PMBF 2002) suggests that "a healthy cross-sector partnership is invariably a learning partnership." (BMP) The learning intent of partners entering into these alliances can also be explained by alliance partner motives to obtain stability and legitimacy that allow access to resources and ultimately ensure organizational survival (D'Amigo and Powell 1983; D'Amigo 1988; Oliver 1991). Nippon (2002) identifies the need for legitimacy as one of five strategic rationales for traditional alliance formation. Oliver (1990) also suggested that firms seek established partners to capitalize on their reputation. Likewise, in his study of business-sector alliances, Stuart (2000) found that alliances can be signed that convey social status and recognition.	This paper utilizes extant models of collaborative learning and integrates these with literature on the not-for-profit context. questions Q1. What is the motivation for multinational learning in cross-sector alliances? Q2. Why should cross-sector alliances be viewed as potential learning platforms? Q3. How does firm learning increase the effectiveness of voluntary codes of conduct that ultimately ensure sustainable development? Q4. How do different blocks of explanatory variables, i.e., alliance-specific, partner-specific, and context-specific variables promote the proliferation of a culture and mentality fostering corporate social responsibility throughout the organization?	How common themes with stakeholders/CSR work in the business sector can learn to be mission-driven and board-led from the social sector Likewise, Osborne and Gaebler (1992) assert that the social sector can learn to be more competitive, customer-driven, results- and market-oriented from the business sector (CES BLP 1999)		3
Holmes, S and Smart, P	Exploring open innovation practice in firm-ngo partnerships: a corporate social responsibility perspective	R&D Management 39, 4, 2009		Case Study	Explorative Learning with NGOs	Adopting a 'bridging' rather than a 'buffering' stance to relations with external stakeholders can assist organizational learning and innovation (Sharma and Vredenburg, 1998). While it can be argued that the literature clearly demonstrates the innovation benefits to firms of having an external focus and engaging with diverse organizations, little attention has been paid to bi-lateral relationships between corporates and NGOs collaborating for social good. Firms decide over stakeholders and NGOs based on instrumental criteria and a need for social legitimacy... (p4-5)	Explorative risk averse and tightly controlled vs Explorative less managed and loosely controlled networks	How firms can innovate from partnering with NGOs	Relies very much to March's 1991 theory of Explorative and Exploitative learning as well as to frame (and Wiger's study on Organizational Learning	The paper is not focused on organizational learning as such. It also does not consider the quality of innovation and thereby missing out on making claims that certain types of stakeholder relationships and lead to certain types of innovations	37

Descriptive Findings

In this section I will aim to provide an overview and description of the type of the 79 publications I selected and included for appraisal for the data extraction. I will analyze these according to literature domain, year of publication, geography, type of source, name and ranking of publication, and selection of methodology.

Figure 4 - Publications according to literature domain

Figure 4 shows the distribution of the literature sources according to their closest field or domain. There is a slight majority of 38% of the 79 publications the data sources pertaining to the literature that crosses over both firm and social responsibility fields. This includes literature on cross sector partnerships, fir-stakeholder dialogue and most importantly organizational learning from external stakeholders for CSR.



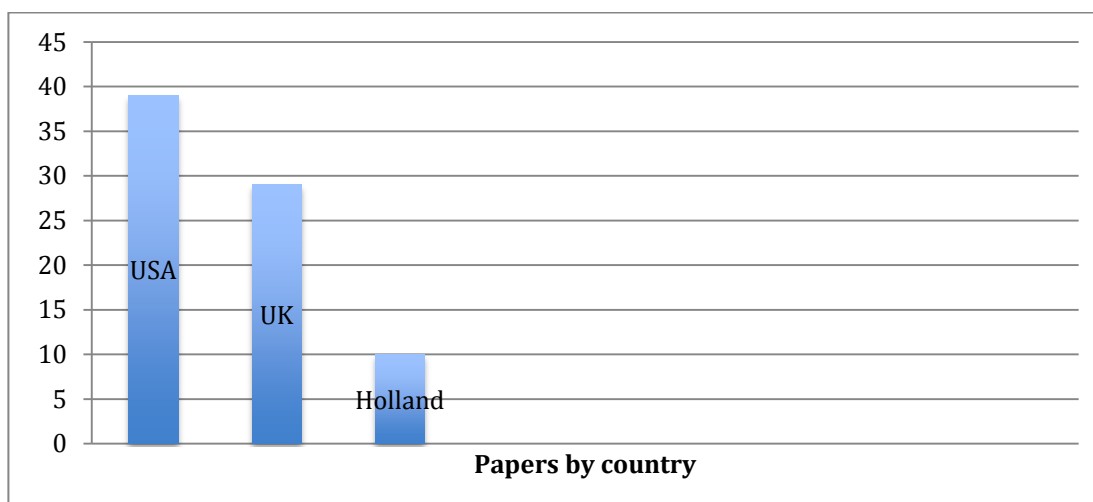
Table 13 – Frequency Distribution between publication years of selected texts

Publication Year	'70	'71	'72	'73	'74	'75	'76	'77	'78	'79	'80	'81	'82	'83
Number of papers	1	0	0	0	0	0	0	1	1	0	0	0	0	0
Publication Year	'84	'85	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97
Number of Papers	1	1	0	0	0	0	0	1	0	3	0	2	0	1
Publication Year	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	
Number of Papers	0	4	4	1	3	4	13	9	7	5	8	7	2	

It is possible to observe from the frequency table of publication by year distribution that most of the sources I consulted for data extraction are from between 2004 and 2009. The frequency drops in 2010 as it is often quite difficult to access articles published in the same year as the literature review is undertaken due to legal agreements between the university and journals.

Figure 5 – Distribution of Countries by Paper Appraised.

The chart below shows the distribution of the 79 publications according to country of origin, it is clear to see that the USA and secondly the UK dominate, though it interesting to note how Holland has contributed with six papers, and these were all of direct relevance to answering my review questions.



Distribution of publications by Cranfield School of Management 2010 Rankings

Of the 79 publications I systematically reviewed 41 corresponded to 19 peer reviewed journals recognized and ranked by the Cranfield School of Management. Due to the nature of my research questions not being exclusively business and management related 41 of the sources I consulted pertained to journals that fall outside the realm of the Cranfield School of Management's ranking system for academic journals.

Table 14 - Distribution of publications by Cranfield School of Management 2010 Rankings

Publication Ranking per Cranfield School of Management	Journal name	Number of Publications consulted within this systematic review
4	Academy of Management Journal	4
1	Business Ethics: A European Review	3
2	Business Ethics Quarterly	2
	Business Process Management Journal	1
1	Corporate Governance	3
4	Harvard Business Review	3
4	Human Relations	1
4	Decision Sciences	1

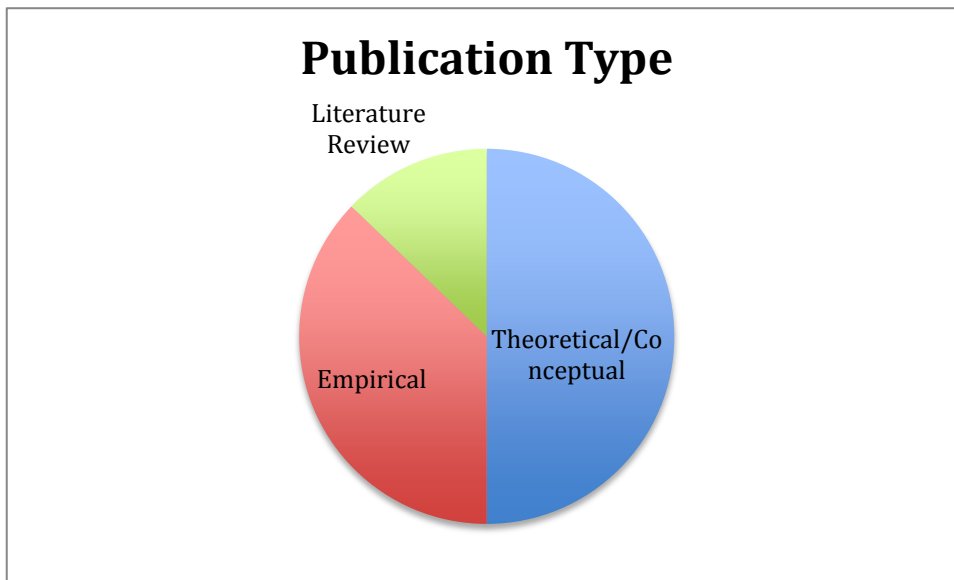
3	International Journal of Management Reviews	1
3	Journal of Business Ethics	6
1	Journal of General Management	1
4	Journal of Management	1
4	Journal of Management Studies	2
3	Management Learning	1
4	Organization Science	3
3	Organization Studies	2
3	R&D Management	1
4	Sloan Management Review	2
4	Strategic Management Journal	3

As expected the journals which I consulted most for relevant articles are of a CSR and ethics type, though it is interesting to note that several well established 4 star journals such as the Academy of Business Journal and Organization Studies and Science also had several highly relevant articles for my study.

Type of Publication analyzed

Half (39) of the papers I selected for the systematic review are of a conceptual and theoretical nature. A further 29 corresponded to papers based on empirical case study research; none of them employed quantitative methods for their research. The final 10 papers, similar to this paper are literature reviews, nine of which are of the organizational learning domain and one corresponding to a systematic literature review of firm-NGO/community engagement. The chart below shows this distribution in a graphical form.

Figure 6 – Distribution of Publication Type



In the following chapter I will aim to provide my sense making and interpretation of the 79 papers analyzed for this systematic review, in the hope to map the state of the field, and additionally attempt to provide some sort of classification that corresponds to my review questions.

Organizational learning Processes - Concepts relevant to learning from external stakeholders

So what exactly from this “sprawl” (Dodgson, 1993) of organizational learning literature can be regarded as relevant to my research area of interest, that is learning from external stakeholders? While there exists no specific theory on learning from external stakeholders, several authors have written around the topic of how organizations learn, and some of the theories they have proposed can be argued to bear pertinence to learning in a CSR context.

Furthermore from reviewing the organizational learning literature focused around the modus of learning I propose in my own classification that can be separated into two different categories of Risk Wary Learning and Deep Seated Learning (see table 15). The former refers to organizational learning in a more conservative and prudent manner, where firms try to learn the minimum knowledge required to avoid any potential crisis or risk situation such as becoming uncompetitive. Such Risk Wary learning is done on a more incremental basis.

The latter on the other hand refers to a more embedded organizational learning where more profound learning and questioning of current routines occurs, which can transform into more significant changes within the company culture and operations. Deep-Seated learning can also be further split into two groups of enablers those of Proactive and Reactive Crisis Induced - Deep Seated Learning. All three categories can be further analyzed by the two different units of analysis as discussed above of learning in an individual organizational context or learning as an organization, which is relevant to the “how” aspect of organizational learning. Table 15 shows how the different organizational learning literature and authors fit together within the aforementioned criteria. Later in this section I offer the same framework with the addition of papers, which discuss organizational learning from external stakeholders in the CSR context, so that it is possible to categorize, these

papers according to the categories I propose from the organizational learning literature.

How Organizations Learn – A Classification by Level of Analysis

The following section delineates the three categories of organizational learning seen in Table 15 according to the unit of analysis. Each section offers examples of relevant theories, which I have considered to correspond to each category and according to whether that theory argues that individuals learn within organizations or whether organizations as a whole and entity can learn. It is evident that I have not taken into consideration Crossan *et al's*, (1999) concept of the third group level of analysis for my own classification, this is because within the literature it is quite difficult to differentiate between when individuals or groups of individuals learn, nonetheless the contrast between organization-wide learning is indeed distinct enough. This latter point of unit of analysis plays a significant role in terms of answering my principle phenomena of interest question of how can firms embed CSR.

Table 15 How organizations learn according to level of analysis – Individual Vs Organizational

	Individual Unit of analysis	Organizational Unit of analysis
Risk Wary - Incremental Learning	Single Loop Learning (Agyris, 1977)	Exploitative Learning (March, 1991)
Proactive Deep - Seated Learning	"The Green Room" Schein (1993) The Learning Organization Senge Communities of Practice (Wenger, 1991)	Explorative Learning (March, 1991) Intraorganization al Learning (Huber, 1991)
Crisis induced - Deep Seated Learning	Double Loop Learning (Agyris, 1977). Deutero- Learning (Agyris and Schoen, 1978)	Unlearning (Hedberg, 1981)

Risk Wary - Incremental Learning

Organizational Unit of Analysis

To begin with we can consider a seminal paper titled “Exploration and exploitation in organizational learning” by March (1991) who introduced the concept of “exploitative” and “explorative” learning. The former type of learning, which relates to this risk wary approach to learning at the organizational level is a much more cautious approach to learning and innovation by companies. March (1991) argued that firms opt for a more exploitative approach to learning when they assess the risks of taking a more innovative or “exploratory” approach as he terms it would be too high, therefore such an approach can be compared with a “business as usual” stance.

Risk Wary - Incremental Learning

Individual Unit of Analysis

Exploitative learning has been compared to Single Loop learning (Roome and Wijen, 2004) in its incremental nature despite their different units of analysis. Single-loop learning generally occurs when an individual within an organization detects an error of any kind in its functioning and then appropriately corrects this error to ensure the predetermined path can be continued. Argyris, (1977) likens such learning to a thermostat set at 68 degrees, as the temperature becomes too warm or too cool the sensor will notify the thermostat to adjust the temperature accordingly.

Firms can also aim for a more embedded or deep-seated learning, where they question their values and not just the superficial processes as a result of learning as outlined in the more prudent approach outlined above. Deep-seated learning can further be divided between those organizations that are induced into learning new information as a consequence of a crisis or those that simply decide to make learning maximization part of their core values and objectives. The following section outlines this in more detail differentiating between the individual and organization units of analysis.

Proactive Deep Seated Learning

Individual Unit of Analysis

A concept, which has increased in popularity within the organizational learning literature, is that of the “Learning Organization” which is seen to have Peter Senge as its guru. The learning organization contrasts with the fundamental underpinnings of the organizational learning literature as it strives for creating the ideal type of organization where learning for its individual members is maximized, (Easterby-Smith, 1997), hence firms proactively seek for their employees to learn.

Pedler et al, 1989 in Dodgson, 1993 makes an even more relevant point about the learning organization with reference to organizational stakeholders by arguing that any such organization should extend its learning culture to include customers, suppliers and other important stakeholders. Therefore it is possible to see the relevance of stakeholders to the idea of organizations maximizing their learning.

The five main disciplines needed for the learning organization according to Senge (1990) as claimed by Easterby-Smith, 1997 include: mental modes, shared vision, personal mastery, team learning and systems thinking. Of particular relevance with regards to my research focus would be the points on mental modes and shared vision. Mental modes are the deeply embedded assumptions we have about the nature of the world and which influence our decisions. Mental modes would be a key subject in the area of organizational learning from external stakeholders who have different worldviews from the firm (Easterby-Smith, 1997). Shared values refers to leadership translating their personal views to members of the organization, indeed this can also be applied to external stakeholders in theory, it would also be interesting to see what, if any shared values exist between firm and external stakeholders (Easterby-Smith, 1997).

Rowley and Gibbs (2008) make a highly relevant contribution in terms of the learning organization and stakeholder interests whilst also extending Senge’s (1990) five disciplines. They offer the “Practically wise organization” in response to the

criticisms leveled at Senge's (1990) weakness in practical application, and also trying to incorporate stakeholder related principles. Rowley and Gibbs 2008 offer seven pillars of the practically wise organization, which are as follows:

1. Understanding dynamic complexity;
2. Developing personal wisdom competency;
3. Deliberating towards ethical models;
4. Refreshing shared sustainable vision;
5. Group wisdom dynamics;
6. Deliberated praxis; and
7. Embodied learning.

However, great caution must be taken with Rowley and Gibbs' 2008 organizational learning for CSR principles as they are offered at the very end of their paper and with no explanation offered about their meaning.

The second modus of individual learning in the organizational context for proactive and deep seated learning relates to a concept known as communities of practice which are advocated by Wenger and Snyder (2000) who describe them as "groups of people informally bound together by shared expertise and passion for joint enterprise....some communities of practice meet regularly on Thursdays, say. Others are connected primarily by email networks.... Inevitably, however, people in communities of practice share their experiences and knowledge in free-flowing, creative ways that foster new approaches to problems" (p.139). With CSR being such a multi disciplinary subject it would make sense for organizations to invite members from different departments who in some way are affected or affect external stakeholders and create a community of practice in which knowledge and learning can be shared. Most communities of practice with respect to my research focus would work best if they are composed of internal organizational members, and therefore the learning from external stakeholders is more of a second hand learning being interpreted from the experiences and meanings of the members taking part in the communities of practice. However, Wenger *et al* (2002) do mention the example

of the World Bank which uses external stakeholders in its communities of practice. Similar concepts to communities of practice are also used by the Global Reporting Initiative (GRI) which host multi stakeholder group meetings including representatives from the private sector, civil society, trade unions and government to try and come to a consensus on certain CSR indicators for organizations to report on. Though these groups meet for just a few days for a period of a year to debate and come to an agreement on the wording of the indicators they are still constantly interacting and learning with one another via email and telephone meetings in that period of time. Next I continue to offer further relevant organizational learning related concepts, which use the organization as unit of analysis in terms of the learning.

A final and striking idea for learning proactively is proposed by Schein (1993) who argues for organizational members to be encouraged to feel psychological safety in order to experiment and make mistakes in order to learn very much in contrast with the current dominant “non mistakes” work culture. The fear of making mistakes inhibits organizational members to learn faster, and according to Schein, 1993, learning from mistakes and moreover, being rewarded for erring is the most effective way for organizations to learn. Schein, 1993 speaks about the “Green Room” which represents organizational learning and a place which employees fear to enter as they have received the shocks from making past mistakes and therefore try to always avoid making future errors. Therefore, in order to enter the Green Room employees should not be deterred from learning and in fact be rewarded for making mistakes and learning from them, such a learning culture will motivate them to enter the Green Room. Shook (2010) claims he has been able to empirically prove Schein’s (1993) successful learning from mistakes at General Motors. Shook (2010) looked to Toyota’s management’s culture of learning from mistakes and claims he replicated this form of learning at a General Motors moribund car production plant called NUMMI. Learning from mistakes in the context of external stakeholders should also hold relevant as an effective way of learning the correct actions to take. As long as there is open and transparent dialogue with trust between both organization and

stakeholder making mistakes and discussing them in an honest way should be a source for organizational learning. The GRI has corroborated this point in its annual conferences (GRI Conference, Chile, 2006).

Proactive Deep Seated Learning

Organizational Unit of Analysis

Of particular relevance to the notion of organizational learning from external stakeholders is the literature based on inter organizational learning. Such forms of learning can be seen in strategic alliances, partnerships and joint ventures (Bapuji and Crossan 2004). Hitt *et al* (2000) found that organizations based in the emerging markets take high into consideration the learning potential from proposed partnerships and joint ventures with large foreign-based multinational firms before partnering with them. Learning from other organizations can be argued as being more proactive and audacious than a more single-loop or incremental style of learning. Despite the motives for learning from partners being of an instrumental nature, the desire to learn when choosing external partners in a CSR context, which has been a neglected area particularly from NGOs would be highly relevant to my review (Bowen, 2010 and Holmes and Smart, 2009).

Furthermore in the case of organizations new to venturing into the area of CSR, as mentioned earlier it will require them to acquire new knowledge and learning (Arnold and Siebenhüner, 2007). As CSR issues do not belong to the traditional business domain organizations would be best sought to partner and collaborate with external stakeholders who specialize in the specific issue of CSR the organization is selecting to focus on, which currently does happens in practice mainly with NGOs (Arenas *et al*, 2009, Arya and Siak, 2006, Bowen *et al*, 2010, Senge, 1999, London and Rondinelli, 2003, Seitandi and Crane, 2009). The potential for learning as a result of this organizational interaction with external stakeholders in the context of CSR is where I would like to systematically review.

The second way in which organizations can learn in a more proactive way relates to the other concept offered by March, 1991 of explorative learning. As one can infer, such learning is more innovative and requires a more open and inquisitive mind. Explorative learning occurs according to March (1991), when firms see the costs and benefits weigh in favour of a more exploratory learning instead of a more exploitative one (as explained earlier).

Hart and Sharma (2004) take a similar argument to March 's (1991) concept of "explorative learning" by arguing firms should dialogue with external stakeholders who could be considered as being on the "fringe" as they can provide strategic value. Such exploratory learning can hold significant for learning from stakeholders in the CSR context, especially when looking to innovate (Holmes and Smart, 2009 and Nidumolu *et al*, 2009).

Crisis induced Deep Seated Learning

Individual Unit of Analysis

Authors such as Cyert and March, (1963 in Dodgson, 1993); Holmqvist, 2004, and Pawlowsky, 2001 support the argument that organizations learn as a result of crises. Argyris (1977) in addition also proposed a second and more profound style of learning which he termed as "double loop learning". Double-loop learning, takes place, usually triggered by some sort of a crisis when individuals within organizations detect an error which is rectified in such a manner that it entails a change of the organization's underlying norms, policies and objectives. This concept is quite different to the earlier mentioned single-loop learning, which is of an incremental nature and conservative with regarding risk. Double loop learning, on the other hand bears particular relevance to my intended area of study as such deep changes in the way organizations operate are a required output of learning from external stakeholders who hold contrasting values and world views from organizations.

Argyris and Schon (1978) further offered a third and more advanced type of learning by individuals in organizations known as deutero learning, this occurs when individuals are able to reflect on previous learning experiences and identify what enabled or prevented learning from occurring, and based on this analysis are able to devise a new strategy for learning. Such experiential learning techniques should also be applicable to a CSR context of external stakeholders to see whether members in firms use deutero learning in practice.

Crisis induced Deep Seated Learning

Organizational Unit of Analysis

Another way in which organizations can learn in a deep-seated way, as an entity and not through individuals was put forward by Hedberg (1981 in Huber, 1991) who claimed organizations needed to “unlearn” old routines and thinking in order to learn. Unlearning, however is deemed to be much more difficult than the notion of acquiring new knowledge (Hedberg, 1981, in Huber, 1991) as their ways for dealing with the world are embedded into the value systems. However, when faced with rapid environmental change the ability to unlearn can prove decisive to survival. Unlearning, according to Hedberg, (1981 in Huber, 1991) can occur in one of two ways: either incrementally where it is stored on top of old knowledge or secondly in a more abrupt fashion where a crisis triggers off the unlearning. This concept of unlearning holds relevant to the idea of organizational learning from external stakeholders in the context of CSR. As argued earlier, companies have different mindsets, values and worldviews to those held by external stakeholders and this it would be of value to see how organizations, if at all learn from NGOs and communities by way of questioning their own values and the way they see the world and ultimately do business.

In summary the organizational learning literature can be deemed as mature due to the depth of research that has taken place in addressing its key questions, despite no consensus around any unifying theory. The literature has been written with the aim of being a tool for strategic competitiveness and still largely today has the same aims as the management and organizational development approach. Such an instrumental

approach when considering learning from external stakeholders in a CSR context would be very much aligned with the “Win-Win: Shared Value” perspective from the CSR literature (see Figure 1).

Consequently, as mentioned in earlier sections there is no established body of literature that deals explicitly with the phenomena of learning from external stakeholders in the context of CSR. Moreover, learning is often alluded to within the cross sector partnership literature, but never discussed in detail or drawn parallels with to the organizational learning theories. Therefore certain organizational learning constructs referring to the process and “how to” of organizational learning can be tested and applied to organizations engaging with external stakeholders to see if such concepts can be of relevance and transferred into a less business context.

As a result of my systematic literature review search, I was able to find 19 academic articles, which placed differing levels of emphasis and focus on organizational learning from external stakeholders. All articles do, however, mention organizational learning from an external stakeholder within the abstract, which, in all cases is an NGO. The articles are a blend of theoretical, conceptual and empirical based publications which all comment on the phenomena of my interest.

Table 15 is developed further and can be seen in Table 16 with the aim gaining a more complete understanding of my phenomena of interest, which is embedding CSR. In order to gain a more profound comprehension as to the organizational learning from external stakeholders it should be worthy of classifying the drivers and enablers of organizational learning from external stakeholders (shown in the “why” column). Secondly, how the literature explains “how” or the process of learning from the NGOs (third column) and additionally it would also be valuable to show within my classification “what” the literature claims organizations have learned from external stakeholders in addition to. These first three columns represent my three systematic review questions. Finally it is worthy of stating the level of analysis in terms of who learns, whether this be the individual in the

organization or whether the organization as a whole learns. All four questions are separated by three different themes which categorize the different types of organizational learning from external stakeholders I make sense of within the systematically reviewed literature. The three different constructs I propose are those of Superficial Learning, Forced Deep Seated Learning and Values Based Deep Seated Learning from external stakeholders. In summary Superficial Learning is when organizations learn in small and incremental amounts which do not significantly alter their cultures. Forced Deep Seated Learning takes place when organizations are suddenly obliged to learn out of a crisis, and the learning needs do go beyond a superficial one in order to revert the crisis situation. Thirdly, Values Based Deep Seated Learning occurs when organization's values demand learning from external stakeholders in order for growth and they take it upon themselves to proactively seek such profound learning to implement within the organizational culture.

Creating such a classification table will help towards making sense and mapping the rather dispersed literature on organizational learning from external stakeholders. Furthermore the classification table 16 should allow for a deeper insight into how CSR is embedded within the organization, in addition I also make frequent comparisons from the literature to my own personal practical experience with regards to embedding CSR. Table 16 will be explained and organized according to each theme systematic review question and finally the level of analysis, which will allow for appreciation of the three different categories of organizational learning from external stakeholders in a CSR context.

Table 16 – Classification of organizational learning from external stakeholders in the context of CSR

Review Questions ----- Category	Why do organizations learn from external stakeholders	How do organizations learn from external stakeholders	What Knowledge do firms learn from external stakeholders	Who learns from external stakeholders? (Individual or Organization as a whole? Or both?)
Superficial Learning	Avert Risk/Crisis Gain legitimacy <i>(Burchell and Cook, 2006 and 2008; Holmes and Smart, 2009, Roome and Wijen, 2006, Selsky and Parker, 2005)</i>	Arms length relationship. Low levels of trust. Tightly managed relationships, One-way learning. Single Loop/Exploitative learning <i>(Antal and Sobzcak, 2004, Araya and Salk, 2006, Arnold and Siebenhüner, 2007, Bowen et al, 2010, Burchell and Cook, 2006 and 2008; Holmes and Smart 2009, London and Rondonelli 2003, Roome and Wijen, 2006, Selsky and</i>	The minimum required for social legitimacy and avoid risk <i>(Arya and Salk, 2006, Arnold and Siebenhüner, 2007, Burchell and Cook, 2006 and 2008; Holmes and Smart, 2009, Roome and Wijen, 2006, Selsky and Parker, 2005)</i>	Individuals, not embedded into rest of organization <i>(Arya and Salk, 2006, Arnold and Siebenhüner, 2007 Cramer, 2005)</i>

		<i>Parker, 2005).</i>		
Forced Deep Seated Learning	Crisis induced (<i>Antal and Sobzcak, 2004, Arya and Salk, 2006, Bronn and Bronn, 2003, Ruhli, 2005 Spitzreck, 2009, Zadek, 2004</i>)	Double Loop learning, questioning underlying values. Closer and more open relationships with stakeholders (<i>Antal and Sobzcak, 2004, Bronn and Bronn, 2003, Spitzreck, 2009, Zadek, 2004</i>)	Other worldviews, assumptions, values, new ways of thinking and doing business (<i>Antal and Sobzcak, 2004, Spitzreck, 2009, Zadek, 2004</i>)	Individuals who later disseminate into organization policies as a whole (<i>Spitzreck, 2009, Zadek, 2004</i>)
Values Based Deep Seated Learning	Proactively seeking to learn (<i>Antal and Sobzcak, 2004, Arya and Salk, 2006, Arnold and Siebenhüner, 2007, Bronn and Bronn, 2003, Burchell and Cook, 2006 and 2008; Holmes and Smart 2009, Roome and Wijen, 2006, Selsky and Parker, 2005).</i>	Exploratory learning, “learning organization”, higher levels of trust and openness, less structure to the engagement without premeditated objectives. Joint learning (<i>Antal and Sobzcak, 2004, Araya and Salk, 2006, Arnold and Siebenhüner, 2007,</i>	Other worldviews, assumptions, values, new ways of thinking and doing business (<i>Antal and Sobzcak, 2004, Arya and Salk, 2006, Arnold and Siebenhüner, 2007, Bowen et al, 2010, Bronn and Bronn, 2003, Burchell</i>	Individuals who later incorporate into the organizational value system. (<i>The Learning Organization conceptual literature, Blackman, et al, 2008, Cramer, 2005</i>)

	<p>The Learning Organization literature (conceptual) (Jamali 2006, Molnar and Mulvihill, 2002, Pedlar, et al 1999, Rowley and Gibbs, 2008, Senge, 1999</p>	<p>Bowen et al, 2010, Bronn and Bronn, 2003, Burchell and Cook, 2006 and 2008; Holmes and Smart 2009, Roome and Wijen, 2006, Selsky and Parker, 2005).</p> <p>The Learning Organization literature (conceptual) (Jamali 2006; Molnar and Mulvihill, 2002; Pedlar, et al 1999; Rowley and Gibbs; 2008; Senge, 1999 et al, 2006)</p>	<p>and Cook, 2006 and 2008; Holmes and Smart 2009, Roome and Wijen, 2006, Selsky and Parker, 2005).</p> <p>The Learning Organization literature (conceptual) (Jamali 2006; Molnar and Mulvihill, 2002; Pedlar, et al 1999; Rowley and Gibbs; 2008; Senge, 1999)</p>	
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Why do organizations learn from external stakeholders?

For this question I was specifically interested in to the drivers and enablers for organizational learning from external stakeholders in the literature. Within the Superficial Learning category Burchell and Cook (2006) state that risk aversion is an important factor in the “business case” (referred to as instrumental reasons earlier in this paper) for dialoging with stakeholders, and hence learning from them. In a survey carried out by Burchell and Cook (2006) amongst firms and NGO’s both respondents concurred that such dialogue was a key factor in reducing business risk. Moreover, some of the NGO respondents subsequently commented that firms used these communication spaces to quell any criticisms. Continuing with this theme of

instrumental driven stakeholder learning Burchell and Cook (2008) in a later paper interviewed NGO respondents who complained of firms “mining” them for information in order to reduce identify and manage their risk better. Selsky and Parker (2005) take a similar view by classifying most of the cross sector partnership literature as one, which claims most firms seek to partner with NGOs for instrumental purposes.

Roome and Wijen (2006) and Holmes and Smart (2009) empirical research into company and stakeholder engagement for learning and innovation additionally found that some of the firms were clearly driven by risk mitigation strategies into engaging with NGOs. Both sets of authors found that a highly structured management and organization was a prevalent factor for accounting for an “Exploitative Learning” (explained further in the “How do organizations learn section”) agenda – drawn from March’s (1991) identically named theory with regards to the NGOs. In the case of the Dutch chemical firm in Roome and Wijen’s (2006) study, the reason for such a risk averse and structured learning from the NGO was that the company was a subsidiary of a publicly owned company, which treated CSR issues under its risk management. In both cases, company officials were not given the freedom to explore and learn from the NGOs.

Burchell and Cook (2008) capture the very essence of this Risk Averse and Legitimacy seeking category from a quote from a NGO representative in one of their interviews as follows “The companies want endorsements from NGOs to validate their operations and CSR principles...For the companies it is much more important to engage and get your support for what they are doing than try to understand what work you are doing” (p.39). In summary, the literature for this section indicates that firms are motivated by risk mitigation and instrumental purposes for learning from external stakeholders.

Conversely within the Forced Deep Seated Learning category Spitzeck (2009) found in his empirical research that Citibank learned from its external stakeholders by

engaging with an NGO as the result of a legitimacy crisis whereby the bank was seen to be financing projects that were leading to rainforest destruction. Similarly, Antal and Sobzcak, (2004) and Zadek, (2004) point to how the sportswear multinational company Nike learned from NGOs as a consequence of its CSR related crisis in the 1990's when its suppliers were found to be employing under age workers for very low wages and in precarious working conditions. Rulhi (2005) point to how six out of nine firms in their study were given "wake up calls" in order to dialogue with external stakeholders such as NGOs.

Arya and Salk, (2006) argue that "reactive (threat driven, more aversive/rigid responses)" (p.219) are one of two types of reasons for organizations wanting to learn from NGOs, they point to DuPont and the nonprofit World Resources Institute who partnered to improve the environmental performance of polymers as an example of such organizational learning from an external stakeholder in a reactive manner.

Antal and Sobzcak, (2004) found evidence that organizational learning from external stakeholders is induced by external forces, in their case study of The Caisses d'Epargne/CNCE cooperative bank. This example was not a crisis as such, albeit was driven by government regulation forcing the bank to take the concept of CSR into its *raison d'être*. As a result the cooperative bank decided to consult with stakeholders in an attempt to decide their CSR strategy.

The empirical research undertaken by Roome and Wijen (2006) and Holmes and Smart (2009) also obtained results that can be categorized under this third category of learning from external stakeholders. The authors' results corroborated March's (1991) second and contrasting concept of "Exploratory learning" (explained in more detail in the following section). The catalyst for both cases was due to values of senior management who had decided that taking an open minded position in dialoguing and trying to understand the NGOs' mental modes would be key to firm learning and innovating. Cramer (2006) additionally found in her study that

commitment from the board of management was key to the organization learning from external stakeholders about CSR.

Burchell and Cook (2008) obtained another relevant quote from an anonymous business representative they interviewed with regards to the drivers of Values based Deep Seated Learning from NGOs “We wanted to change the way we did business...the industry in the past was good at ‘decide, announce, defend’ type of approach. You spend an awful lot of time defending and if you change that around you take people with you on decisions rather than defending decisions” (p.38). This quote demonstrates the values in the company becoming more open to learning from stakeholders and subsequently basing decision making around this newly acquired knowledge.

In addition Arya and Salk (2006) suggest that firms in a low regulation and high growth industry will dialogue with stakeholders proactively as opposed to those firms in mature industries, which follow a more reactive stance to stakeholder engagement.

Much of the Values based Deep Seated Learning from NGOs comes from the literature based on the concept of the Learning Organization, where learning is a key objective of individuals and is maximized by the firm. Further this literature by authors such as Jamali (2006) and Senge (1999) argue that in order to embed CSR into an organization learning must be optimized, and indeed this includes learning from stakeholders. Therefore it can be interpreted that the main motives for a learning organization to learn from external stakeholders would be to maximize learning.

The driving forces behind the organizational learning from external stakeholders for each of the three different classifications of learning types would appear to be very specific to the particular objective, for example a risk averse firm may learn from an NGO to identify potential risks, whereas a crisis induced learning could be to create a

long term change and for a values based learning organization, learning from external stakeholders could simply be the main objective of the firm's growth and value creation.

How do organizations learn from external stakeholders?

This is the main systematic review question, and according to Bowen *et al* (2010) a small proportion (under 20%) of the literature on firm and external stakeholder engagement they systematically reviewed shows evidence of organizational learning. Depending upon the definition the authors gave to what consists of organizational learning (something they did not state) it is possible to argue that Superficial Learning can be found in much of the basic firm – NGO interaction regarded as “Transactional” or as Selsky and Parker (2005) refer to “Resource Dependent” where there are “arm's length” relationships (London and Rondonelli 2003) which are tightly managed. Starting with the Superficial Learning category here firms can be adjudged to learn more in line with single loop learning theory. As Burchell and Cook (2008) found firms “mined” NGOs in dialogue for information they could use to their strategic advantage, therefore inferring that the company was not interested in learning about different mindsets and assumptions, but instead wanted to continue doing business as usual. The more critical voices of the CSR movement such as Pendleton *et al*, 2004, Jenkins, 2002 and Utting, 2002 often refer to this phrase of business as usual which can be argued as having similar connotations to the theory of single loop learning, in that not much changes, just small, incremental adjustments in both the way firms do business and how they learn respectively.

Continuing on with the theme of NGOs feeling exploited by organizations during stakeholder dialogue, Roome and Wijen (2006) also found that a chemical company was learning from its external stakeholders in a way that aligns with March's (1991) exploitative learning theory. The firm tightly controlled the relationship with the NGOs, and came to meetings with a preformed agenda of what it wanted and therefore was not interested in learning about the values and mental modes of different perspectives. Holmes and Smart (2009) found similar results when looking

at innovation from firm- NGO partnerships, moreover, four of the eight firms in their study were deemed to be using a more exploitative and managed way to collaborate with the NGOs.

How and what firms learn from within Forced and Values Based learning categories is very similar in that it tends to be a Deep Seated one as per my classification in table 16, therefore it would make sense to discuss interchangeably what is learned by both categories.

The general consensus from authors who can be classified under the Deep Seated Learning categories is that organizations learn from external stakeholders by dialogue, learning the stakeholders' perspectives, values, assumptions, mental modes and worldview which helps them to understand differences that exist between the two and can thus create shared meaning by dialoguing and partnering with them (Antal and Sobczak, 2004; Arya and Salk, 2006; Arnold and Siebenhüner, 2007; Bowen *et al*, 2010; Bronn and Bronn, 2003; Burchell and Cook, 2006 and 2008; Holmes and Smart 2009; Jamali 2006; Roome and Wijen, 2006; Selsky and Parker, 2005; Senge, 1999). Roloff (2008) further argued that firms even learn to speak a new language and discourse from interacting with critical stakeholders, and that this allows for shared meaning. Arya and Salk (2006) sum up this viewpoint with the following quote "a healthy cross-sector partnership is invariably a learning partnership" (p.215). However, such an argument could be criticized of being too vague and presumptuous. Authors who attempt to link the Learning Organization literature with the subject of CSR such as (Jamali 2006; Molnar and Mulvihill; 2002, Rowley and Gibbs, 2008, Senge *et al*, 2006) also equate organizational learning with stakeholder engagement, dialogue and participation.

Arnold and Siebenhüner (2007) alluded that five of the six companies within their study were engaging in double loop learning which would infer Deep Seated Learning which was deduced by the authors as companies were innovating new sustainability products, communicating sustainability and two firms were dialoging

with stakeholders. Such an assessment by Arnold and Siebenhüner (2007) should be questioned because communicating sustainability is the same aim as a CSR report (deemed as single loop learning by the authors) and dialoguing with stakeholders does not automatically guarantee Deep Seated Learning (Burchell and Cook, 2008). Therefore questions remain as to what constitutes organizational learning when engaging with stakeholders and in other CSR related contexts.

More specifically examples of Deep Seated learning in the case of Forced Learning where Multinational firms such as Citibank (Spitzeck, 2009), Nike and Addidas (Utting, 2002) and international organizations such as IFC (Park, 2005) experienced CSR related crises that induced them to learn from external stakeholders. Moreover the learning they underwent can be argued to be double loop learning or in the case of Nike, Hedberg's unlearning theory as per Antal and Sobzcak, (2004). In all the aforementioned cases the organizations dialogued with NGOs who were critical of them and over time this lead to a questioning of their core values, assumptions and mental modes whereby the firms learned about the different perspectives and accordingly made appropriate changes to their values, policies and ways of working.

It is also worthy of commenting on the second and contrasting finding by Roome and Wijen (2006) from their study of organizational learning from stakeholders. The second way they noted organizations were learning from NGOs also stems from March's (1991) organizational learning theory of exploratory learning. Unlike the chemical firm, a food industry firm the authors researched was engaging in a much more open and loosely structured stakeholder dialogue with more critical NGOs in the hope to learn and consequently innovate from their ideas (Roome and Wijen, 2006). This practical example links with what Hart and Sharma's (2004) theory of engaging with fringe stakeholders such as critical NGOs for innovation, learning and increase competitiveness.

What Knowledge do firms learn from external stakeholders?

Consequently after analyzing the literature classified under how organizations learn from external stakeholders, it would be appropriate to discuss what exactly they then learn. The literature overall does not seem to regard Superficial Learning and relationships between firms and stakeholders as learning, but rather for a way to identify any potential risks ahead of gaining enough legitimacy to continue with business as usual (Arya and Salk, 2006; Burchell and Cook; 2008 and Selsky and Parker, 2006 and London and Rondenelli 2003) furthermore claim that in Superficial Learning spaces between firms and NGOS there is a “race to teach” between both organizations as opposed to wanting to learn from the other, therefore rendering learning to a minimum. Bowen *et al* (2010) who systematically reviewed firm and external stakeholder engagement found that most the literature claims learning does not even take place in such interactions, which they denominate as “transactional” and one way. In such partnerships or engagements, firms are not interested in learning from external stakeholders, instead they want to reach an instrumental objective as a quickly and problem free as possible.

In particular regard to specific outputs from organizational learning from external stakeholders Arnold and Siebenhüner (2007) found in their research based on the very same topic of this paper that a large transportation company was single loop learning and regarded its CSR reports and technical environmental measures as proof of such Superficial Learning. Antal and Sobzcak, (2004) argue that they found evidence of single loop or incremental learning which would classify under the Superficial Learning category I propose in table 16. Antal and Sobzcak, (2004) additionally argue that the French Cooperative bank CNCE learned from stakeholder dialogue to make small and incremental environmental efficiencies within their buildings.

With reference to the examples of crisis induced firms for Deep Seated Learning as mentioned earlier in the “How organizations learn” section, in addition to these firms learning different perspectives, values and mental modes of external stakeholders

they also learned more specific perspectives on their respective social and environmental impacts. In the case of Nike they learned from dialoguing with NGOs that their suppliers were hiring child labour and paying below a living wage in precarious working conditions. Together with the NGOs Nike explored solutions for these complex problems, which included jointly setting up various private sector-civil society partnerships such as the UN Global Compact and the Fair Labor Association (Utting, 2002 and Zadek, 2004). In the case of IFC, as I learned in my personal experience working there the organization learned about the negative impacts their financing to Spanish energy firm Endesa was going to create for a neighbouring indigenous community in central Chile. As a result IFC worked together with NGOs to create their social and environmental Performance Standards which are used to screen each investment they propose to make in projects in the emerging market. In Citibank's case the learning was quite similar also as they learned from dialoging with an NGO of the detrimental impact their financing was having on rainforest destruction. As a result, together with NGOs and other banks such as IFC they created the Equator Principles, which work, in a similar social and environment impact screening fashion to the IFC Performance Standards (Spitzeck, 2009). Despite these three examples of double loop learning where companies showed Deep Seated Learning and implemented changes to their ways of doing business accordingly, one should take caution as to how effective these new policies are in reality with regards to social and environmental performance as they are all self regulated, it should be also mentioned that the NGO Bankwatch has leveled criticisms of Greenwashing at the IFC Performance Standards and at the Equator Principles (Bankwatch, 2008).

In summary the literature appears to be quite sparse as to detailing specific learning outputs from firm interaction with external stakeholders, however, there does seem to be substantial consensus amongst authors that when companies simply dialogue with external stakeholders learning is automatically generated, this would infer that there exists a challenge in terms of defining what learning from external stakeholders means.

Who learns from external stakeholders? Individual Vs Organizational Learning

This is a particularly important question that pertains to my phenomena of interest of embedding CSR because for this to happen the whole organization would have to learn as opposed to just individuals or pockets of individuals. As discussed earlier organizational learning theory debates this question at length, however, due to the relative immaturity of the literature, which aims to combine organizational learning and firm-external stakeholder relations, very little has been written on this subject of who learns. Authors such as Arnold and Siebenhüner (2007), Arya and Salk (2005), Blackman *et al* (2008) and Cramer (2006) have argued that organizational learning from stakeholders in a CSR context takes place on the individual level. This would then pose a challenge to my central phenomenon of interest of embedding CSR due to the fact that individuals learning within an organization would not mean that CSR would be hardwired into the organization culture.

Arya and Salk's (2006) criticize Deep Seated Learning on a similar point by claiming that only individuals learn in specific project teams within firms from external stakeholders in partnerships with NGOs therefore meaning learning is not embedded across organizations and instead is implemented and remains within specific project teams. An example of this are the IFC Performance Standards which are only applied to specific projects financed by the IFC. Therefore, in other words a large private sector company requiring a loan from IFC would only be screened and capacitated on CSR credentials that include stakeholder engagement in the area of influence and scope of the project the firm is requesting funding for. Therefore learning from external stakeholders would not reach across the whole organization that is asking the IFC for investment, instead just the specific project team within a certain geographical area would learn from external stakeholders, and this learning is not required by the IFC performance standards to be disseminated across the whole organization.

Cramer (2005) focused more on the who element of learning within the organization from CSR and external stakeholders and found that individual and group level learning was present in all 19 companies in her study, which corresponded to the first three I's of Crossan *et al's* (1999) organizational learning framework (intuiting, interpreting and integrating) however, Cramer (2005) did not see any evidence of the fourth I which is also most relevant for embedding CSR that of "institutionalizing" which additionally refers to learning on the organizational level of analysis.

Final Reflections and Summary

The results of my systematic review search allowed me to get a further and deeper insight into how, why and what organizations learn from external stakeholders. Most of the literature I reviewed came from the organizational learning theory domain, one that is more mature and established than the literature which answered my question much more directly, this literature mainly comes from the cross sector partnership literature.

The organizational learning literature allowed me to map the literature which looked specifically at my review question of how organizations learn, creating a classification in table 16. This framework of how organizations learned was then used as a basis for classifying the firm – external stakeholder interaction literature which either alludes directly to or infers organizational learning. A total of 19 relevant papers to the review questions were examined and classified and later critically analyzed.

Learning from external stakeholders seems to be a field growing in interest, however, it is still very immature and very few of the organizational learning theories have been applied to it (such as single/double loop learning, exploitative/explorative learning, unlearning and the 4”I”s framework) and moreover, no particular theory for this area has been proposed. The research in this area is of a more exploratory nature which according to Edmondson and McManus, (2007) is expected from a research field in a nascent stage within organizational theory.

There is consequently no general theory that explains, how or why and what organizations learn from external stakeholders, as this phenomenon would appear to be very specific to each context.

Discussion

Summary of the systematic literature review

As a synthesis of this systematic review I have tried from the outset to get a deeper understanding into how CSR can be embedded transversally throughout organizations. After an initial literature review I decided that the most effective way of achieving such a task would be through organizational learning from external stakeholders. I chose external stakeholders as firstly, stakeholders are as seen as central to the meaning of CSR by the literature, and secondly because external stakeholders such as NGOs, communities and government represent the changing societal expectations of business' responsibilities and have different worldviews, values, assumptions and mental modes to those of a for profit organization, as opposed to internal stakeholders such as employees or others such as suppliers or customers who are much closer aligned to the firm's values and objectives. I was mainly interested in how organizations learn from NGOs, communities and government, as well as why and what they learn.

The drivers for learning (from external stakeholders)

The literature from both domains I reviewed overwhelmingly supports the idea that organizations learn for instrumental reasons (Fiol and Lyle, 1985; Huber, 1991; Dodgson, 1993; Crossan *et al*; 1995, Easterby-Smith, 1997; Bapuji and Crossan, 2004 and Shipton, 2006) and the same has been argued for why firms consider and interact with stakeholders (Freeman, 2004; Hart and Sharma, 2004; Mitchell *et al*, 1999; Porter, 2006). If it holds true that firms only want to learn from stakeholders in order to increase competitiveness then it can be inferred that they will be trying to learn with a less open mindset and always looking to assess how they can create an economic opportunity from what they are learning from engaging with the external stakeholders, such behaviour would not lead to a genuine learning about the different perspectives, worldviews and mental modes. From my own experience the instrumental argument seems to be the most prevalent and in particular with regards to gaining legitimacy or is more commonly referred to in the CSR industry as

a social license to operate as also argued in the academic literature by (Arya and Salk, 2006; Burchell and Cook; 2008 and Selsky and Parker, 2006 and London and Rondenelli 2003). Such an economic motivated pretext for learning from stakeholders is just as common for motives of risk mitigation (Burchell and Cook 2008; Selsky and Parker, 2005) or as a result of CSR crises (Spitzeck, 2009; Zadek, 2004), which also corroborates with my own personal practical experience.

Nevertheless, the academic literature written in English does ignore an important regional aspect for the drivers for engaging in stakeholder learning specific to the emerging markets. In my experience in South America and working at an international development organization, the IFC, I was able to observe that companies in the emerging markets would engage in what I termed as Superficial Learning or what could be regarded as little more than philanthropy with external stakeholders due to cultural values specific to the region, in many cases associated with religion. In Chile I found through my own research at Masters level that some of the largest national firms would dialogue with local communities, government and civil society to see how they could help in terms of developmental needs such as in education, health or entrepreneurship. I classify this as Superficial Learning as the companies usually have a predetermined and tightly controlled agenda as was seen in the cases of Holmes and Smart, 2009 and of Roome and Wijen, 2006 and furthermore, changes to the company culture were not executed as a result of such dialogue.

Does stakeholder dialogue equate with learning?

This previous point brings me on to another important critical reflection of the literature on external stakeholder learning which relates to how the literature on cross sector partnerships overall makes a significant assumption that dialogue with stakeholders equates learning. This is a substantial claim and assumption to make and would infer a lack of research into the organizational learning theory literature as I have attempted to review and compare with that of CSR and cross sector partnerships. Burchell and Cook (2008) make the point about dialogue with

stakeholders generating new learning quite explicitly in their paper titled “Stakeholder dialogue and organizational learning: changing relationships between companies and NGOs”, yet there is not one reference to any of the organizational learning theories and authors in their paper.

From the examples I have offered relating to stakeholder engagement in the developing world, learning would not be implied as the relationships are much more “transactional” according to Bowen *et al's* (2010) classification of firm-external stakeholder engagement, which the authors state clearly does not involve learning. One such specific example is of a Canadian mining firm in Northern Chile which I interviewed as well as their respective stakeholders. The company was engaging in frequent stakeholder dialogue, with the local neighbouring indigenous community, the engagement was governed by a signed protocol agreement. This protocol between firm and community created what Roome and Wijen (2006) termed stakeholder dialogue in tightly controlled networks. The mining firm had predetermined goals and objectives of what it wanted from the dialogue with the community, a fixed budget and items on what it would spend money on. Such a closed mindset to exploring the community's worldviews, values and assumptions would infer minimal learning was taking place within the mining firm.

The Learning Organization – A Utopian idea?

Several publications relating the learning organization concept to learning from stakeholders in a CSR context were also reviewed (Jamali 2006; Molnar and Mulvihill, 2002; Pedlar, et al 1999; Rowley and Gibbs; 2008; Senge, 1999), and it is interesting to note that none of these publications contained within them any empirical examples of the Learning Organization in action. Being conceptual papers they focused on what they believe happens and more importantly what should happen in order for organizations to learn for CSR from external stakeholders. The most cited method was of seeking proactive stakeholder participation and involvement, though the authors hence do not expand on this recommendation. Once

more the authors are equating stakeholder dialogue with learning without going into any detail about what and how this learning should take place.

Therefore, a major criticism that can be leveled at the cross sector partnership literature which attempts to analysis organizational learning from NGOs and communities is that they are quite assuming and vague about their understanding of what organizational learning in a CSR context means, other than Burchell and Cook (2008) authors such as Araya and Salk (2005) and London and Rondonelli (2003) do not try to compare their claims of organizational learning in cross sector partnerships with any established learning theories. It would therefore appears evident that the cross sector partnership and stakeholder engagement literature suffers from a lack of any definition of what learning within a CSR and stakeholder context is, this is a challenge I will aim to address at the end of this paper based on my systematic literature review.

Theories of How Organizations learn in a the context of external stakeholder learning

As seen earlier in table 1.2 there are several examples of authors who attempt to place learning from external stakeholders within more established organizational learning theories examples include Roome and Wijen (2006) and Homes and Smart (2009) who link their findings with March's (1991) exploitative and exploratory learning concepts, Arnold and Siebenhüner, (2007) who claim they discovered Agyris' (1977) single and double loop learning from stakeholder dialogue and Cramer, (2005) who similarly observed both Agyris' theories in a CSR context. Upon closer analysis, the justifications given by each author for their respective classifications of each type of learning can be questioned. For example Arnold and Siebenhüner, (2007) argue that the companies they studied which had undergone stakeholder dialogue and created CSR related principles and communications could be categorized as double loop learning. Cramer (2005) also argues that one of the companies in her study, which decided to develop a CSR report, was evidence of double loop learning. Comparing this with my personal experience companies that

create a CSR report and engage in stakeholder dialogue (see earlier example of Canadian mining firm in Chile) should not be interpreted so clearly as double loop learning. In my experience of working with companies in Latin America that produced CSR reports and other related communication this did not create significant changes to the way they operated and did business. Moreover, the learning was rather single loop as the process of producing the CSR report mainly required filling in certain social and environmental indicators carried out by an externally hired consultancy firm and one single CSR/Communications person within the firm, hence indicating that the learning was not embedded transversally throughout the organization.

In short what this reflects is that the idea of classifying and categorizing how organizations learn in respect to more established organizational learning theories carries a substantial subjective element with it, as the sense and meaning of the learning is made entirely by the author(s) from within their research. What the aforementioned papers therefore lacked in reflection was to ascertain the opinions of internal organizational members as well as those from the external stakeholders in order to get the various perspectives and sense making which would mitigate such a high subjective element whereby the author determines from his/her own interpretation the organizational learning theory the learning observed is most aligned with. Burchell and Cook (2008) in their paper offered multiple quotations from NGO and business representatives vis a vis organizational learning, however, they did not make any links back to organizational learning theory.

In addition the earlier mentioned research I participated in with exploring multiple perspectives of a Canadian mining firm in Chile allowed for this more all rounded and balanced perspective into the organizational learning taking place from stakeholders. If I had only ascertained the company perspective then my opinion of the organizational learning would have been significantly more positive than it was after completing interviews with local communities, government agencies and local NGOs.

Who learns from organizational stakeholders?

The question of who within the organization learns from the external stakeholders is key to my main phenomena of interest question of embedding CSR. Here it would seem that my practical experience corroborates the literature in that there appear to be no real life examples of firms that have embedded external stakeholder learning into the organizational culture transversally. As Cramer (2005) found in her study the final “I” of institutionalization from Crossan *et al*’s (1999) organizational learning framework was not observed, though this would also take much longer to happen.

Arya and Salk (2006) also make a highly relevant point about how the organizational learning remains with just a few individuals in the project team dealing with the external stakeholders. From my personal experience working in the field I can also support the view from academia. At the Canadian mining firm in Chile, the person dialoguing with the external stakeholders was working alone with the help of outside contracted consultants and this was also the case at a Colombian oil firm therefore the learning stays with this communications person and does not disseminate throughout the firm and hence, CSR is not embedded or institutionalized, instead it is used for reputational gains.

The reason for such lack of organization wide embedding of external stakeholder learning from my own personal experience relates back to the much discussed concept earlier of instrumental CSR and stakeholder learning. The business case for embedding CSR across a firm still has not been widely created and understood, hence why firms are learning in a more superficial manner and maintaining the newly acquired knowledge with just a few select individuals within the company. Firms are driven by profits and if CSR is not seen to have a direct impact on this then as is the case it is marginalized and used for its strengths which currently appears to be for reputational gains.

As mentioned earlier, the literature that examines both organizational learning and cross sector partnerships suffers from a definitional problem, as a consequence I have attempted and based from my systematic literature review to offer the following definition of organizational learning from external stakeholders in a CSR context.

My proposed definition of organizational learning from external stakeholders in a CSR context

The organizational learning theory literature offers a variety of different definitions, however, I was not able to find one single definition of organizational learning from external stakeholders in a CSR context. As a result of my systematic literature review, analyses and classifications I propose the following definition which addresses my main review question:

Organizational learning from external stakeholders is when organizations implement company wide changes to their values, culture and policies affecting the way they do business. Such changes should be based on the knowledge learned and acquired from dialoguing and collaborating with external stakeholders (which include civil society groups, local communities and government agencies) on a particular social, developmental or environmental issue(s) that affects and is relevant for both parties. The implemented changes should not be met by disapproval of the external stakeholders.

My proposed definition can be clearly seen to have links with Agyris' (1977) Double loop learning theory as it requires organizations to question their value and belief systems, though the difference being that the questioning is a result of external stakeholder engagement. It also tries to bridge the individual Vs organization wide learning debate by inferring that first individuals or groups within the organization should learn from external stakeholders and that this learning should be disseminated and implemented throughout the whole organization via the high level culture and value changes. The final line of the definition is crucial in terms of the multi dimensional perspective to which I have alluded to earlier in terms of enhancing validity and credibility of the organizational learning claims made by the firm, academics, practitioners or society in general.

Conclusion

In conclusion it is not possible to generalize from the literature as to why, what and how organizations learn from their external stakeholders in a CSR context, however, I have argued that it is possible to classify the literature pertaining to these three questions into three types of learning which include Superficial, Forced and Values Based Deep Seated Learning. Certain organizational learning theories relating to how organizations learn was found to have been applied to situations of learning from external stakeholders, however, the veracity of these links should be challenged especially when only considering a single interpretation and perspective that of the author. I argue that the main reason as to this lack of rigor and consistency with classifying organizational learning from external stakeholders stems from the absence of an appropriate definition, for which I attempt to propose Deep Seated Learning which is also perceived by the affected external stakeholders as the benchmark for such learning. However, in reality from my practitioner experience most organizational learning from external stakeholders can be interpreted as Superficial Learning. In addition organizational learning for instrumental purposes, which therefore influence how organizations learn, is a dominant theme throughout this field.

Contribution

My systematic literature review comparing the two domains of organizational learning and cross sector partnerships between firms and external stakeholders can be argued as unique as I did not find another in my searches. Therefore the classification scheme I propose about the motives, processes and outputs of organizational learning from external stakeholders can be regarded as a contribution both for academia and practitioners. Both practitioners and academics have been concerned with the question of how can firms work in a systematically more responsible way with regards to their stakeholders. My review contributes to their understanding of what and the processes around how organizations are currently attempting to embed CSR, which focuses on the expectations of external stakeholders such as NGOs, communities and governments.

Currently, the two domains of organizational learning and firm - stakeholder interaction are largely separate, despite the 19 academic publications I found which attempt at differing levels to span both fields. However, with my belief that organizational learning is significant to the objective of embedding CSR, and that the CSR field has largely neglected the importance of organizational learning theories thus far, I would argue that my classification scheme should cause some thought provoking amongst scholars and practitioners within the CSR field of study.

In addition I also hope that my systematic literature review will contribute towards academics working in the cross sector partnership/firm – stakeholder field to urge them to consider further what exactly they mean by learning. As argued in my review, the term learning is often mentioned but never really analyzed or defined further, I therefore hope that my review will lead to academics questioning further what learning in such circumstances means to the organizations and their stakeholders.

I furthermore offer a definition of organizational learning from external stakeholders based on the prior systematic literature review, which could provide both academics

and practitioners with a benchmark or baseline to start with for future claims of organizational learning in a CSR context. The final line of the definition, which states that the external stakeholders should not oppose the changes made by the organization, offers a new multi perspective dimension to the area of CSR, which thus far has mainly focused on a singular perspective from either the company or one stakeholder group, which in turn is interpreted by the author. I believe this to be a significant additional contribution stemming from my systematic literature review.

Implications for my future PhD research

I believe that this systematic literature review has highlighted a gap on both theoretical and empirical level for me to pursue at PhD level. The lack of extant theory within the CSR field means that it is an immature field that requires further theory building through more exploratory and qualitative research methods (Eisenhardt, 1989). This systematic literature review justified using organizational learning theories to understand and make sense of implementing stakeholder focused CSR. My phenomenon of interest of how organizations can embed CSR into the way they operate at all levels will remain the same for the PhD. I believe therefore I could use the classification table proposed which refers to why, how and what organizations learn from external stakeholders as well as the definition I put forward as initial frameworks to base an exploratory case study on the organizational learning from external stakeholders.

My previous research into different stakeholder perspectives of a firm's CSR in the context of conflict and based in Latin America influenced the definition of organizational learning from external stakeholders I propose, and furthermore I hope to continue my PhD research within similar contexts and geographical region. The systematic review along with my own personal experience helped me come to the conclusion that organizational learning from external stakeholders tends mainly to be triggered in crisis situations, and that the notion of the proactive, values based learning organization which seeks to maximise learning is not reflected in practice (as seen in both literature and from own experience). Therefore, I believe identifying

a firm facing a (potential) crisis with regards to its responsibilities to external stakeholders would be an ideal choice for such a case study where I could gather and gauge multiple perspectives and aim to analyze the organizational learning taking place. With the possibility of having up to two years to research the case study in the field I would envisage that I could work towards providing richer data towards answering the why, how and what firms learn from external stakeholders. Furthermore, such longitudinal research would enable me to develop a typology of different learning stages throughout the (potential) conflict with external stakeholders.

A further implication that the systematic literature review has posed with regards to my phenomenon of interest for my future PhD research is with the question of who learns in the organization. The review supported my personal experience in that the question of who in the organization learns from stakeholders is vital in terms of engraining CSR into the organizational culture, thus it would be appropriate to focus my case study research for the PhD on the question of who learns, and if indeed the learning can be institutionalized.

Limitations of my Systematic Literature Review

This review is not without its limitations. First of all despite its aim of being as objective as possible within the systematic search, it should be noted that the objectivity ends at there. Once the search results are obtained it then depended on my quality criteria for selecting which articles to include for the review. I could have overlooked some significantly important articles as well as selected others made misjudgments and errors in the selection process of review articles as my initial searches offered over 2,000 results.

The issue of selection criteria is also linked to any personal biases, subjectivities and worldviews I may have, despite trying to be as balanced and objective as possible when selecting. Moreover, the subjective element would be more salient when making sense of the literature I was reviewing. It is highly probable that if someone

else were to follow my audit trail they may find different results, but more importantly they may interpret and make sense of the selected literature in a substantially different way and this point should be brought to the forefront. This argument also has parallels with my discussion of the systematic review as I criticized some of the interpretations and conclusions drawn by some of the authors with regards to their understand of learning and how it relates to organizational learning theory. Overall I would argue that this systematic literature review is as an objective systematic search strategy as possible and then after is made sense of from my personal interpretation and life experiences, especially my practical knowledge and experience in the field to which I frequently refer and compare to in this review.

A final limitation worth of mention is that of choosing to undertake the task of answering three questions of why, how and what with regards to organizational learning from external stakeholders. I justified that it was necessary to answer the why in order to provide necessary antecedents of the how and the what question was relevant to put the process of learning into perspective with final outputs. However, in my endeavor to reach these objectives I was also forced to limit the scope I could devote to each question due to the word count limit and time available, therefore certain relevant factors and points may have been left out in order to provide a more general understanding.

Personal Learning

Undertaking the systematic literature review for me was a learning experience in itself, and I must confess that I feel I came to grips with it more confidently at the very end and final hurdle. Right from the outset I struggled with the notion of sense making of the literature from a high level. My first scoping study attempt was rejected. At the time I did not understand why especially as I had dedicated so much time and effort to it, now in hindsight I do understand. The first scoping study attempt looked at the domains of organizational change and CSR, and I had basically created the longest shopping list of everything I could find in the literature related to those concepts and thrown them into a 7,000 word paper. Rightly so I was told to write it again, which I did another five times, this time changing to organizational learning as I argued fit in better with deeper CSR embedding.

Nevertheless back in April and May whilst re writing the scoping studies I still had not grasped the concept of sense making, explaining the “so what” with regards to what I was writing and also neglecting to justify my claims. Whilst I do not expect I have mastered these three points even in this systematic literature review, I feel that very late on in the process during July the points really clicked and everything fit into position.

It is therefore important to understand the trigger for the “eureka” moment, and I believe it is a combination of various factors such as having changed my literature domains late in to the process, having changed supervisors in May, reading more literature and the constant support from my second supervisor who helped me to understand better the concept of high level sense making of the literature whilst comparing this with my relevant practical experience.

Being able to compare my findings from the literature with my experience as a practitioner working in the area of CSR and stakeholder dialogue really brought the review to life for me as it added a new and personal dimension to the thought process and writing, enabling me to put into perspective the finding from academic

papers alongside with what I had interpreted in practice. This advice from my supervisor was certainly a key trigger in terms of enhancing and speeding up the learning journey.

In conclusion I feel that this rather painful experience at time where I also felt lost and unmotivated at certain stages has taught me a lot. Overall it has brought significant personal satisfaction to me in terms of giving me the capacity to think more logically and coherently about a subject dear to me, that of how business can contribute to sustainable development. I can safely say I will never think and make sense of literature and real life situations in the same manner as before completing this review, and that I regard as a positive learning outcome for myself.

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